App. F. IX-4

1926-7

File No. 16-26

*Previous References*
J.D 16-26 (1-14)

( J. D )

Serial Nos. 15-18

P-263 2E
preserve

*Later References*

# General and Revenue Secretariat.

---

*Serial Nos.* four.

**Part B for** April 27.

---

**SUBJECT**

Prosecution of the All India Medical aid and Poor Homes Association Ltd issued by Mr M. L. Nagama. -Mysore-

---

To Cust. D 7773 dt 12.3.27

Mr. M. L. Nagama - Chief organiser.

Informs him that the Registrar of J. S. Companies has since been requested a certificate of the Commencement of business.

GENERAL AND REVENUE SECRETARIAT.

NOTES.

J.S. File No. 14

FILE HEADING.

Prospectus of the All India Mutual Aid and Poor Houses Association Ltd, issued by Mr M. L. Nagiannah, Mysore

From The Chief organizer
The All India Mutual Aid & Poor Houses Association Ltd.

No. 20 94. Dated 19.2.27. Received 23-2-27.

Diary No. 5278 Enclos. & Spare Copies. Serial No. 15.

BRIEF ABSTRACT OF LETTER.

Requests Govt to direct the Registrar of J.S. Cos to issue the Business Commencement Certificate & to accept their funds perpetually as permanent deposit at the highest rate of interest or to appoint one official Trustee and also prays for the withdrawal of the Press Communique or permit him the publication in the Govt publicity journal free of charge of the Reminder sent by him

NOTES AND ORDERS.

Seen for orders.

2 The Registrar of J.S. Cos has been already directed to issue the Business Commencement Certificate. The main file is with the Member.

28-2-27.

P T O

WD 1881—GPB—30,000—1-8-21

| Serial No. | |
|---|---|
| | No/106 of 25.2.27. |
| | From |
| 6. | The Registrar of J.S. Cos.. |
| | I write Reference to the Cor |
| | reading with his office letter |
| | Feb (21) Re the All India Master |
| | Poor Houses Association Ltd. state |
| | the Coy & its officers have |
| | themselves liable to proceedings |
| | Section 92 (5) of the Regulation. |
| | Requests the instructions of Govt |
| | whether any legal proceedings may |
| | not be taken under the Coy's Regln |
| | for the Coy publishing the Prospectus prior |
| | to the receipt of intimation of the order |
| | of that office in that behalf. |
| | Subd:- With two receipt |
| 3 | Section 92 (5) of the Coy's Regln:- |
| | " If a Prospectus is issued without a |
| | Copy thereof being so filed, the Company |
| | & every person who is knowingly a party |
| | to the issue of the Prospectus, shall be liable |
| | to a fine not exceeding Rs 50 for every day |
| | from the date of the issue of the Prospectus |
| | until a Copy thereof is so filed." |
| 4 | The L.L. Secy may be consulted. |

26.2.27

Sec$^{y}$ D)

L.L. Sec$^{y}$)

WP 26/2/27

26 2 27

WD 01229—GPB—37,500—1-9-26



eneral and Revenue Secretariat

J.S File No. 16 of 1926

(2)

Serial No.

6 The point raised by the Registrar is whether the Company is liable to be prosecuted for issuing the prospectus before the Registrar intimated the fact of ~~filing~~ receipt of the copy of the prospectus ~~filed~~ for registration.

7 It is ~~doubtful~~ not clear from the letter of the Registrar dated 25th Feb 1927 when the prospectus was published by the Company & when a copy of it was actually delivered to him.

8 Sec 92 governs the case.

Sec 92 (2) makes it obligatory on the Company to file a copy of the prospectus with the registrar for registration before it is published.

9 The omission to file a copy as required under Sec 92 (2) will render the company liable to be prosecuted under sec 92 (5).

10 The chief ingredient of the offence is thus a failure to file a copy before publication.

11 In law filing is complete when a paper is delivered to a proper officer for being kept on file, or among the records of his office without the act of ~~obtaining~~ officer in indorsing, entitling Etc, the paper. [See Webster's Dictionary]

4003/26.

WD 01239—GPB—37,500—1-9-26
App F. III—2]

General and Revenue Secretariat

J.S File No. 16 of 192 3 (4

Serial No.

Having regard to the object of delivery of a copy of the prospectus for registration to the registrar, the law has not imposed any duty on the part of the Company to wait until the receipt of an acknowledgment of the copy from the registrar before publication of the prospectus.

12 It is not the intention of the Legislature to hamper the business of a Company by imposing on it a duty to wait until the registrar chooses to reply.

13 Moreover the Company takes the full responsibility for the Statement contained in the prospectus & the filing of the prospectus is merely intended only to preserve an authentic record of its terms & to secure the responsibility of the directors for the Statements in the prospectus.

14 Hence it appears to me that the Company is not liable to be prosecuted if the publication of the prospectus has been made after a copy of it has been delivered to the registrar for registration.

Draft Letter with Compts 4/3

8/
4.3
28/
4.3

15 The Company has complied with the requirements of Sec 92 (2), and is not bound to wait for notice of filing. It

WD 01229 –GPB –37,500—1-9-26
App F. III—2]

General and Revenue Secretariat

J.S File No. 16 of 192 6

5726

Serial No.

has not offended against the law in the present case. The letter of the Chief Organiser shows that the matter was duly considered before the Co. decided to publish the prospectus.

16 The Regr may, I think, be informed that they are not liable to prosecution, and ~~ordered~~ asked to issue the Commencement Certificate as already ~~directed~~ instructed. from the tone of the letter of the Chief Organiser, it is not unlikely that trouble might result if there is further delay.

9154
7/3

OFFICE OF THE SECOND MEMBER OF COUNCIL
5 MAR. 1927
No. 5961

2d Member)

W.S/3
5
WD
5/3

17 This is wrongly a fraudulent transaction; & Govr shd do all it can to prevent innocent people being cheated. I shall be glad to have Govr Advocate's opinion whether and be possible to launch a criminal prosecution. Either for running a lottery — or for issuing a prospectus containing statements that are liable to mislead people to spend money on the wrong belief that Govr have agreed to the trustees or to appoint an auditor. Have any honest ~~firm~~ Company will first Govt Engineer or Mr

WD 01226—GPB—37,500—1-9-26



General and Revenue Secretariat

J. S File No 16 of 1926

(6)

Serial No.

a prospectus. Whether this still amounts to Cheating — i.e. reading the prospectus by itself & not seeing the Communique will a person not literate that Govt have agreed to receive the funds in trust & to appoint an Auditor — & this does not amount to ~~Cheating~~ Cheating — if — as seems the case, people have already taken shares on this basis.

18 We need not be afraid of all these bluff. That is the Bottomley type all over; & the Courts that anyone has produced another.

~~The Crown cannot~~

19 Govt Adv. also thinks that Business Commencement Certificate, that might be done — for the most points Whether we could strangle this before it hurts innocent people as Bottomley did.

Lee
7/3/27

Saw the 3rd M^r & took his instruct

20 M^r

U.O. no. 142
7th March 1927

Forwarded U.O. with compliments to the Govt Advocate, for favour of opinion & immediate return

B.O.

Weerasooriya
2nd Asst DS

WD 01226—GPB—37,500—1-9-26
App. F. III—2]

General and Revenue Secretariat | G. File No 16 of 1926. (7)

Serial No.

No. Reg 24/26-27.
Dt. 8. 3. 1927.

21 From a perusal of the Articles of Association and the Prospectus issued by the Company it is apparent that several inducements have been held out to the public to take up shares and bonds. Appeals are made not only to their religious and charitable instincts by references to the Establishment & maintenance of Charitable institutions, but also to their gambling & speculative propensities by holding out to them the prospect of getting as loan a large sum of money from Rs1000 to 50 on their personal security - without any interest and payable in Easy instalments.

22 There can therefore be no doubt that it is intended to tempt unsuspecting persons to join the scheme by throwing the bait of the aforesaid Element of chance involved in the Scheme.

23 But this circumstance is not, in my opinion, sufficient to justify the conclusion that the Scheme amounts to a lottery, as the authors of the Scheme appear to have taken care to avoid all

H.O.D

WD 61226—GPB—37,500—1-9-26



Serial No.

legal difficulties.

24. 'Lottery' as ordinarily understood is "a game of chance in which the event of either gain or loss of the absolute right to a prize or prizes by the persons concerned, is made wholly dependant upon the drawing or casting of lots". But it has been held that where a scheme has for its object the carrying on of a legitimate business, the fact that provides for the distributing of its profits in certain events by lot will not vitiate the scheme or make it a lottery. I may in this connection refer to the following observations of Mr Justice Venkata Subbarao reported in I.L.R 48 Madras 661 at 667, viz.; "The fact that emerges from this description is that while chance determines the disposal of the interest earned there is absolute certainty with reference to the distribution of the capital fund itself. Though it may be said that it is the small element of chance that tempts some to join the fund, the dominant feature of the transaction is that

Serial No.

it enables a large number to gradually lay by money and receive their savings in a lump sum and the scheme is * in their case an incentive to thrift. On this principle many "Chit funds" have been held to be illegal. (vide 22 Madras 212, (1860) 5 app Cases 685 and a number of other cases discussed in the aforesaid case in 48 Madras 661).

25 This Madras case was no doubt been distented from in a subsequent case of the same Court reported in (1925) Madras Weekly Notes 857 in which Spencer & Madhavan Nair JJ have held that mere "Chit funds" in which the winner, who gets a certain sum of money as the result of a drawing by lot, ceases to be a subscriber of the fund thereafter, must be deemed to be lotteries, and that such transactions are therefore void.

26 But that decision does not, in my opinion touch the present case as here the winning bondsholder does not cease to be a subscriber as he is bound to pay up the amount of the bond in full before he can have

Serial No.

have the benefit of the loan. Moreover the Company does not get the amount as a present - with absolute rights thereto. He merely gets a loan and he is bound to repay it, though without interest and in easy instalments, and the benefit of all these instalments goes to the other bondholders in the shape of dividends. Further - the capital is left untouched; it is only $\frac{2}{3}$ of a moiety of the interest earned on the capital that is to be given as loans.

27 Therefore, though there is an element of chance in as much the person or persons to whom the money is to be given as loan, there is nothing in the nature of the transaction itself which brings it within the category of a lottery.

28 There is also the further difficulty in raising this question now, viz., that it is now too late to put this objection forward as a ground for refusing the grant of a certificate for commencement of business. All questions as to the legality or otherwise of the business of a company have to be decided

Serial No.

before the company is registered. In this case the company appears to have been registered after some of the articles of association were actually amended at the instance of the Registrar.

29 Coming now to the next question as to whether the prospectus contains any false or misleading statements, I am inclined to think that apart from the usual puffing statements ordinarily found in such documents, there are no statements that may be characterised as being false or misleading. It is possible that there is an endeavour to leave the impression in the mind of the superficial reader that the Company has the support of Government. But nowhere in the prospectus is it stated that such support has been promised.

30 For example, in referring to the "absolute security" offered to the intending investor it is stated that the principal amount to be collected "will be entirely and permanently invested in the Government or in the Government securities" etc. Similarly, as regards

the appointment of a "Bond-holders' representative on the Board of Directors" and an auditor to be appointed by Government, it is stated in articles 49 & 71, which are printed as part of the prospectus, that the Directors shall apply to the Government of Ceylon or the Govt of India, for the appointment of such functionaries, after all the conditions referred to in the said articles are satisfied. It is not stated anywhere in the prospectus that any assurances have actually been given by any of the Governments, and it has been held that "the statement that something will be done is not the statement of an existing fact within the rule". (See Beattie versus Ebury 7 Ch. App. 777 at p. 802 and the other cases cited at page 377 in Palmer's Company Law)

31 I am not prepared to say that the persons responsible for the issue of the prospectus can be charged with an attempt to cheat the public, or to mislead them.

32 As regards the question as to what amounts to filing of

WD 01229—GPB—37,500—1-9-26
App. F. III—2]



Serial No.

prospectus with the Registrar, the provisions of s. 92(2) are clear and all that is therein enjoined on the Company is to file a copy duly signed by all the Directors, including proposed, for registration, on or before the date of publication of the prospectus. There is nothing in the section which obliges the Company to await the formal registration or the receipt of any acknowledgment or endorsement from the Registrar, as a condition precedent to the publication of the prospectus. Nor is there any discretion vested in the matter of registration: so long as the conditions laid down in that section are fulfilled the Registrar has, I am afraid, no option but to register it. The object of registration is two fold, viz (1) to preserve an authentic record of the terms offered to the public and (2) to fix the Directors with the responsibility for the statements contained in the prospectus. The question as to the truth or otherwise of such statements is not ordinarily taken into account in deciding the question of registration, though the Directors may incur an liability

WD 01229—GPB—37,500—1-9-26
App. F. III—2]

General and Revenue Secretariat

J. File No. 16 of 192 6

14

Serial No.

any provision of law where false or fraudulent statements are deliberately made therein.

33 The Directors of the Company are therefore within their rights in issuing the prospectus after the date of filing of the same with the Registrar.

34 Under the circumstances and so long as all the formalities prescribed by Clauses (1) & (2) of Section 103 have been complied with the Company is also entitled to the issue of a certificate for Commencement of business. The provisions of S. 103 are imperative and the Registrar is, in my opinion, bound to issue a certificate if all the conditions laid down in the section have been fulfilled.

Thanks
Government Advocate
8/3/1927.

9233
9/3

OFFICE OF THE THIRD MEMBER OF COUNCIL.
9 MAR. 1927
No. 1081

35 The Directors have very carefully avoided placing themselves within reach of the law. I think we have done all we can at this stage to protect the interests of the public, by issuing a warning communique. The Registrar may be instructed to issue the commencement certificate

3d Member 36 I agree - Please submit to 1st member also 8 3 27

37 I see no objection 9/3/27

NOTE—Contn. Sheet

WP 9/3 9/3/27 (Sd) WP 9/3 CSR 9/3/27 WP 9/3

WD 01229—GPB—37,500—1-9-26
App. F. III—2]

General and Revenue Secretariat

JS. File No. 16 / 155 / 779 of 192 6

15

| Serial No. | |
|---|---|
| 38 | Subd with a draft Letter Registration. An endorsement letter Chief Organiser will be issued after this Draft receives Sd/ D.) |
| 39 | Letter no. D.7595 dt 9.3.27 to Regd J.S.Co. requesting to issue the Certificate of Commencement of Business immediately this letter the Directors cannot be considered to have received themselves. D. no. 5395. 2 |
| 40 | Draft endorsement dated 10.3.27. submitted by the Hon Members |
| 41 | CSX 10/3. |
| 42 | Issue 10.3.27 |

OFFICE OF THE THIRD MEMBER OF COUNCIL 10 MAR. 1927 No. 1112

10 3 27

10 3 27

Note M.L. Nagarwala, Chief Organiser

Endorsement No. D.7773 dt 12.3.1927 informs that the Registration of J. Co. has since been requested to issue Certificate of Commencement of business. Copy of Registration - no. D.7774 dt 12.3.27. Submitted with the file, with reference to Law Secy's orders on the application of Sri Narayan referred to him by the Chairman.

dt. 14.3.27 (S.M.)

WD 01229—GPB—37,500—1-9-26
App. F. III—4

eneral and Revenue Secretariat

JP. File No. 16 of 1926

Serial No.

44
Subw. with reference to the
orders of the Secy on the P. W. D
Our letter of the 25-2 Feby
1927 is flagged F
45 Similar letters have been
addressed to the Secretaries
of Council & the Chief
Secy and a reply has
been issued to the Chief Secy
as per orders of the 3rd Member on the letter to his
flag. -Z.
Secy
18/3/27

Secy (P)
Secy
19/3

46 As the question is disposed of, the
letter (P.W.D) may be filed.
3rd Member.
Secy
19-3

47 Yes
Secy
21/3
Secy
21/3
Secy
22/3
Secy
22/3

(Mr. Dewhurst)

OFFICE OF THE
THIRD MEMBER OF COUNCIL
22 MAR. 1927
No 1324.

REV. SECRETARIAT,
DEVELOPMENT BRANCH.

WD 01229—GPB—37,500—1-9-26
App. F. III—2

General and Revenue Secretariat | J. S. File No. 16 of 192 6

Serial No.

Petitions dated 11th March 1927 Nagappa recapitulating his field of Insurance Business favourable order about the grant of Certificate ment of Business, and then

HB Subs for perusal and orders.

2. The prayer of the Nagappa relates mainly to the grant of a certificate of Commencement of business and other facilities such as the acceptance of sums perpetually as permanent deposit.

3. The Registrar has since been directed to issue the certificate and the Nagappa has been intimated informed that the terms communicated already issued cannot be withdrawn.

4. No further action appears called for -

Lig. 23.3.27 24

3rd Member see margin

7 4 27

5. From telephone enquiry, it is learnt that the certificate was issued on 23rd March 1927.

Lig. 8.4.27

3rd M

File

Noted

Ss. 17.4.16. Dr. Please telephone. & write & find out if this has been done. CSK 8/4

Ss Telephone now please - 8/4

7 APR. 1927 [14]

9 APR. 1927 12 No 1805

12 APR. 1927

NOTE—Contn. Sheet

GEN: & R... 3278
28 FEB. 1927
From
DEVELOPMENT BRANCH.

22227

J S. 16-26-15

Dir Secretariat

The Chief Organizer
All-India Mutual Aid and
Poor Houses Association Ltd
MYSORE.

To

The Chief Secretary to the
Government of His Highness
the Maharaja of Mysore,
BANGALORE.

No. 2074 Encls: 8

Dated 19 FEB 1927

---

Dear Sir,

With reference to the ---
abovesaid Association, we beg leave
to bring the following facts to your
kind notice and request the favour -
of the Government issuing a favour--
able order at their earliest conve--
nience.

As the undersigned wanted
to start the abovesaid Association at
Mysore with an object of starting Poor Houses for feeding the
disabled and nursing the suffering --
poor in all the principal towns -----
throughout India, Burmah and Ceylon,
he submitted the Memorandum and -----
Articles of Association to the Regis-
trar of Joint Stock Companies in ---
Mysore, Bangalore, on 22nd May 1926
for the first time for incorporation
in accordance with Section 22 of the
Mysore Companies Regulation No.VIII
of 1917. As the Registrar after ---
thorough scrutiny thought that the --

he abovesaid documents required some amendments, we had to esubmit the same finally on 26th June 1926 after making -- ecessary amendments strictly in accordance with Law and -- lso the instructions of the Registrar and consequently, -- he Registrar was pleased to register the said documents and issued the ncorporation Certificate of the Association on 8th July 26 n compliance with Sections 22 and 23 (1) of the Mysore --- ompanies Regulation. For your kind perusal, we have ---- nclosed herein the amended copies of the Memorandum and rticles of Association as also that of the Incorporatior ertificate.

After the Incorporation of the Association, ~~and~~ as equired by Section 92 (2) of the Mysore Companies Regula-- ion, we filed copies of the English and Kannada prospectus- s of the Association for the first time on 10th August 1926 fter complying with the requirements of Section 93 of the - Mysore Companies Regulation. As the Registrar after care-- ful scrutiny found that the requirement of Sub Section ----- 1 (k) of Section 93 of the Mysore Companies Regulation had - not been properly complied with and also some other amend--- ments especially as regards the appointment of the Bondhold- ers' Representative and an Auditor by the Government, were necessary, we had to refile with the Registrar for the last time on 1st Novem- ber 1926, the said copies of the prospectuses after amending the same strictly in accordance with Law as also with the instructions of the Registrar to the very letter.

As the Registrar delayed acknowledging the receipt of the copies of the amended prospectuses, we had to send a reminder on 6th November 1926 requesting him to acknowledge the copies of the prospectuses but to our great surprise and disappointment, he (the Registrar) instead of acknowledging - and filing the said copies of the prospectuses wrote to us - in his letter No.870 dated 9th November 1926 to say that the

the question of filing the same was receiving his attention and we should not publish the prospectuses till the receipt of his intimation for his having filed the prospectuses. But, as the Directors saw that as per Section 92 (2) of the Mysore Companies Regulation, we had only to file copies of the prospectuses with the Registrar on or before the date of their publication but not to wait for either the acknowment or intimation of the Registrar for his having filed the prospectuses, they (the Directors) in their Meeting held on 6th November 1926 passed a Resolution that the Association should publish the prospectuses without waiting for the Registrar's acknowledgment or intimation, as the said prospectuses had been amended strictly in accordance with Law and the instructions of the Registrar. For your kind information, we have enclosed herein a copy of the Registrar's letter dated 9th November 1926 and that of the Directors' Resolution passed on 6th November 1926.

Subsequently, as we had received applications for more thanthe required minimum number of shares, the directors had to allot the said shares to the applicants on 6th November 1926 in compliance with Section 101 of the Mysore Companies Regulation. As we did comply with all the conditions mentioned in Section 103 (1) of the Mysore Companies Regulation including the allotment of the minimum number of shares, we submitted to the Registrar on 30th November 1926 the duly verified declaration of the undersigned for having complied with all the said conditions as required by the said Section and requested him (the Registrar) to issue and send us the Business Commencement Certificate in compliance with Section 103 (2) of the Mysore Companies Regulation. But, the Registrar in his letter No.921 dated 3rd December 1926 wrote to us to say that he could not take any action in the matter (i.e., in the issue

issue of the Business Commencement Certificate) until the question relating to the filing of the prospectuses was --- decided. For your kind information, we have enclosed herein a copy of the ~~Resolution.~~ Registrar's letter.

So, we in our letter No.1805 dated 6/8th December - 1926 pointed out to the Registrar that in all matters connected with the Registration, Formation and Promotion of -- the Joint Stock Companies in Mysore, both the Registrar and the said Companies should be guided by the Mysore Companies Regulation and its Provisions strictly adhered to as the -- same ~~are~~ were mandatory but not discretionery and as such he --- (the Registrar) could not defer the filing of the prospectuses and delay the issue of the Business Commencement Certificate on that ground, in the absence of any provision in the ----- Mysore Companies Regulation to show that the filing of the - prospectus and the issue of the Business Commencement Certificate were at the discretion of the Registrar contrary to - Sections 92 (2) and 103 (2) though the provisions contained in Sections 93 and 103 (1) had been strictly complied with - respectively. We further requested the Registrar in the -- same letter to kindly let us know if we were wrong in any -- way either legally or morally and assured him that we would rectify the defects if any immediately on hearing from him. To our great misfortune, the Registrar ~~had~~ has not been pleased either to issue the Business Commencement Certificate or to let us know the reasons for the delay in issuing the same -- upto now, in spite of our repeated reminders, though it is - more than three months and a half since the copies of the -- prospectuses were filed finally with him and two months and a half since the verified Declaration before commencing ---- business was submitted to him. For your kind information, a copy of our letter No.1805 dated 6/8th December 1926 is -- enclosed herein.

In addition

In addition to this, you know that in compliance with the provisions made in the Memorandum and Articles of Association, we have to invest all our funds entirely in the Government or Governments or in the Securities guaranteed by the said Government or Governments. Until necessary arrangements are made with either the Government of Mysore or that of India either for accepting our funds perpetually as permanent deposit or for appointing an Official Trustee to hold the Government Securities of the Association in his safe custody, we wanted to invest our funds in the Bank of Mysore Ltd., and consequently applied to the Manager of the Bank to open a current account in the name of the Association. To our great surprise, the Bank refused to open the account as requested though the Manager of the Mysore Branch had recommended and the Chairman of the Bank had said that there could be no difficulty in opening the account and he would ask the Manager to do so. On personal enquiry, the undersigned was told by the Chairman of the Bank that the Bank could not open the account in the name of the Association as per instructions given by a high functionery of the Government, whose name he would not give.

So, we had to apply to the Imperial Bank of India, Madras, for opening an account and receiving our funds. The said Bank was pleased to open an account in the name of the Association but wanted a copy of the Memorandum and Articles of Association duly certified by the Registrar before it could open. We therefore submitted a stamped copy of the said Memorandum and Articles of Association to the Registrar with our letter No.857 dated 24th September 1926 for being certified and returned by him as per Section 248 (3) of the Mysore Companies Regulation. To our great misfortune, though it is nearly five months since it was sent to the Registrar, he would not either certify and return the copy or let us know the reasons for the delay in so certifying in spite of our repeated reminders. In the meanwhile on or about the 21st

21st September 1926, the District Magistrate, Mysore District sent for the undersigned and made him understand that the Government considered our scheme to be a lottery and he (the undersigned) would run the risk of being prosecuted by the Government in case the Association was not closed. But, the undersigned could not be discouraged as he had been perfectly convinced of the legality of the scheme. In these circumstances, you will see that the Government instead of giving due encouragement to this indigineous concern especially in consideration of its having been started with an object of relieving the distress of the suffering humanity, are placing all sorts of impediments in the way of the Association for checking its progress. Consequently, the Association is incurring a heavy loss ever since it was incorporated as it cannot continue its business without Business Commencement Certificate but is to meet the Establishment charges for no business whatsoever. No doubt, the undersigned is not getting anything in form of allowance nor will he get the same even after the commencement of business until the Association begins to make profit. The same case is with the Directors also as they are working honorarily for the Association.

To add insult to injury, the Publicity Officer to the Government of Mysore has issued a Press Communique on the 4th & 5th inst. purporting that the provisions made by the Association in its Memorandum and Articles of Association are unauthorized and the Government are not inclined to patronize the Association, and the said Communique has been published by all the English and Vernacular Newspapers in the Mysore Province as also in many Leading Newspapers outside. As the said communique has naturally left an impression in the minds of the public that the provisions referred to in the same have been made by the Association with an object of defrauding its constituents but

but not of safeguarding them, it is needless to say that the Communique has been a death blow to the progress of the ---- Association. As mentioned in the enclosed copy of the re-- joinder sent by us for publication in some of the Newspapers in response to the abovesaid Communique, you will see that - the notions of the Government are incorrect and they ought - to have decided the matter and issued the communique in case they could not be satisfied with our explanations and the -- honesty of our purpose.

In this connection, we have to impress upon your -- mind that whenever a Company is to be started, according to the Company Law the objects of the Company should be stated in its Memorandum and the Rules and Regulations for the ---- conduct of its business should be stated in its Articles --- while the prospectus should contain all the objects of the - Company and the important particulars mentioned in the ----- Articles. In the same way, as it was our object that ----- either the funds of the Association should be entirely and - permanently invested in the Government or Governments, or -- the funds should be invested in the Government Securities -- and the said Securities should be held for safe custody by - an Official Trustee or Trustees to be appointed by the ----- Government or Governments, this had to find a place in the - Memorandum and Articles as also in the prospectus. As re-- gards the provision for the appointment of a Bondholders' -- Representative and an Auditor by the Government, the same -- had to be made in the Articles for the honest conduct of the business and it had to find a place in the prospectus also. It is not possible even to imagine for a moment by anybody - that these provisions were made to the advantage of the ---- promoters but on the other hand, anybody can understand that the same have been made for ensuring the safety of the constituents of the Association and the perpetual running of the Institution.

As mentioned in the beginning ~~portion~~ of this letter, all the abovesaid three documents were thoroughly scrutinized by the Registrar and amended as per his instructions. If the Government had wanted to make any further amendments, we would have readily made them. Moreover, the undersigned was ------ prompted to start this Association as he saw that the poor and the helpless that are in distress in good number both in the - Mysore Province and elsewhere were not being taken care of --- either by the Government or by the public and that there could not be any real and better worship of God other than to alleviate the misery of such suffering people. So, at the time of the Incorporation of the Association, we never suspected that the Government would take the matter in the light in which they have taken - now but on the other hand, we really thought that the Government would welcome such provisions as they are in the interest of the public at Large and patronize the Association as the - work that ought to have been taken up by the Government itself was to - be undertaken by the Association.

Apart from the fact that the charity to be undertaken by the Association is of the best kind and a perpetual one, - the scheme devised for fulfilling the objects of the Association is based on the soundest possible principles without --- there being absolutely no risk or speculation whatsoever. As explained in the enclosed prospectus, the working of the ---- scheme is briefly this. Every person desirous of partaking of the benefit of the charity to be done by the Association - is to keep a sum of Rs.50/- deposited permanently with the -- Association free of interest by paying the said amount either in a lumpsum or by 50 monthly instalments of Re.1/- each. The Association will in its turn invest the said deposit amounts for interest in the Government or its Securities entirely and permanently. Out of the interest the Association gets from the Government on this investment, one half will be exclusively

exclusively utilized for maintaining the Poor Houses. Out of the other half, two-thirds will be utilized for granting loans to the abovesaid depcsit-holders without any interest repayable in 100 monthly instalments of Rs.10/- each per Rs.1,000/- and the remaining one-third plus the amount of instalments to be recovered from the loan recipients plus admission and other fees less all the working expenses of the Association will be the net profit of the Association every year. Out of this net profit, 50% will be distributed among those Bondholders who will not have received loans while the remaining 50% will be utilized for payment of dividends to the shareholders, creating Reserve Fund and profits to Directors.

According to our rules, as soon as there will be 2,000 Bondholders throughout India, Burmah and Ceylon, a Poor House will be started at Mysore and as soon as there will be 2,000 Bondholders in any Province, District or principal town, a Poor House will be immediately started therein. Because, if there will be 2,000 Bondholders in a particular locality, the Association will have collected Rs.1,00,000 from these persons and gets Rs.6,000 interest by investing the said Rs.1,00,000 either in the Government or in the Government Securities at an average rate of interst of 6% per annum. As 50% of interest that accrues on the Bondholders' money, is to be exclusively utilized for maintaining Poor House, 50% of Rs.6,000 interest i.e., Rs.3,000 can be utilized for maintaining the poor House to be started in that locality. As this Rs.3,000/- works out at Rs.250/- per month, 50 sickly and disabled persons at least can be fed in the said Poor House every day. Out of the remaining Rs.3,000 interest, two loans of Rs.1,000/- each amounting to Rs.2,000/- will be granted to two Bondholders every year as determined in the drawings to be held in that locality itself. Of course, the balance Rs.1,000/- interest, plus the amount of instalments to be recovered from the loan recipients, plus admission etc., fees less the working expenses will be the

the net profit of the Association and this/ profit will be utilized as abovesaid. It is needless to say that when the people of a particular locality see that the charity is done in their very presence and some of them alone get loans on - their personal security without any interest, they of their own accord will come forward and contribute to the fund of - the Association. When the number of Bondholders increases, the interest that accrues on the Bondholders fund will necessarily increase and the number of persons to be fed in the - poor House to be started in that locality will be proportionately more. As it is not a difficult thing to secure 2,000 Bondholders in a principal town, and the Association will have organized Provincial, District and Local Agencies throughout India, Burmah and Ceylon, we are confident that the Poor ---- Houses will have been started in all the principal towns throughout the abovesaid places in course of a few years.

The only legal and moral objectionsthat can be raised are that our scheme amounts to a lottery in as much as the -- loans are granted by means of drawings and those Bondholders who get loans earlier are benefitted more than those who get later as the latter are to wait even for hundreds of years. - In the first place, mere holding a drawing does not make our scheme a lottery according to Section 294 A. of the I.P.C. as we hold drawings only for the grant of loans but not for any distribution of prizes. Supposing we do away with the drawing, the position as regards the grant of loans will not be - bettered in the least while on the other hand not only it --- would be very difficult to the Directors to determine the --- names of the persons to whom the loans are to be granted as - the number of loans to be granted every year will be limited and all the Bondholders will be equally anxious to get the -- loans simultaneously but also the honesty of the Directors -- will be suspected and they will be accused of favouratism or partiality. You will therefore see that the object of hold-

i-ng

holding the drawings is to determine the names of the persons to whom the loans are to be granted in order to save the ---- Directors from unpleasantness and critisisum as abovesaid but not to benefit a few and make many lose which is the jist of the offence owing to the fact that the Bondholders that get - loans once will not be entitled to get loans again as per --- rules and consequently all the Bondholders will be entitled - to loans in their turn one year or another as determined in - the drawings. Even this (to benefit a few and make many --- loose) is overlooked in case of Companies started for mutual benefit. For instance, in an Insurance Company the heirs of the Policyholders who die earlier will be gainers whereas --- those Policyholders who survive the period will be losers as the interest earned by the Company on the premium amounts --- made by the latter will make up the bonus amounts payable to the former. From this, it is clear that our scheme does not at all come under the category of a lottery as not only the - benefit is mutual but also there will be none who will be --- loosers in any way. Even from the moral point of view ----- nothing can be said against our scheme. Because, 50% of the net profits of the Association will be distributed only among those Bondholders who will not have received loans and consequently the Bondholders who will have got loans will not be - entitled to get any profits. So, the Bondholders of the --- Association will have alternate benefits of either getting -- loans without interest or having profits.

From the above, you will see that our scheme is free from all sorts of objectionable features and it is also practically workable as the amount to be contributed by each ---- person is within the reach of both the poor and the middle -- class people. As the Association will have solved the beggar problem which the Government had to solve, the Government cannot but consider that the Association is worth patronizing and deserves every possible help the Government can render. We -

We know that the Government are receiving Charitable Endowments as permanent deposit at a fixed rate of interest. When our Association is a charitable concern, there can be no --- difficulty for the Government to accept our funds perpetually as permanent deposit. Of course, we know that the Government are not allowing 6% interest per annum on the Charitable ---- Endowments but as the work undertaken by the Association is - that which ought to have been undertaken by the Government, the Government can allow 6% interest on the funds of the Association as a special case. If the Government cannot find its way to accept our - funds as permanent deposit at 6% or any lower rate they may be pleased to allow, there can be no difficulty to appoint an --- Official Trustee at the cost of the Association to hold the -- Government Securities of the Association for safe custody in - consideration of our Association being a Charitable concern -- at least, - When the Government of Bombay have appointed an -- Official Trustee for holding the Government Securities of the Oriental Life Assurance Co., Ltd., in safe custody though the same is not a Charitable concern. As regards the appointment of the Bondholders' Representative and an Auditor by the Government, a separate application will be made soon after there will be 2,000 Bondholders as per our rules.

So, in kind and generous consideration of the facts - submitted above, we beg to request most humbly and respectfully that the Government may be graciously pleased not only to ---- order the Registrar to issue the Business Commencement Certificate immediately but also to accept our funds perpetually as - permanent deposit at the highest possible rate of interest or appoint an Official Trustee for holding the Government Securities (in which the funds of the Association will be invested) in safe custody. In the meanwhile, the Government may kindly cause the Press Communique issued by the Publicity Officer --- withdrawn. or the enclosed rejoinder published in the Government Publicity Journal free of charge.

Soliciting an early and favourable reply and thanking you in anticipation,

We have the honour to be,
Sir,
Your most obedient servants,
For The All-India Mutual Aid & Poor Houses Association Ltd.
M. L. Nagannah
Chief Organizer.

GEN. & REV. SECRETARIAT
DEVELOPMENT BRANCH.

OM

# MEMORANDUM OF ASSOCIATION

OF

dia Mutual Aid & Poor Houses Association Ltd.

WITH

# ARTICLES OF ASSOCIATION

OM

# INDEX


| | PAGE. |
|---|---|
| MEMORANDUM OF ASSOCIATION .... .... .... | i to iii |
| ARTICLES OF ASSOCIATION .... .... .... | 1 to 20 |
| I. Constitution of the Association .... .... | 1 |
| II. Preliminary .... .... .... | 1 |
| I. Capital .... .... .... | 1 |
| V. Business .... .... .... | 2 |
| V. Charitable Institutions .... .... .... | 5 |
| I. Management of Business .... .... | 5 |
| I. General Meetings .... .... .... | 7 |
| I. Directors .... .... .... | 7 |
| C. Powers of Directors .... .... .... | 9 |
| X. Seal .... .... .... | 13 |
| XI. Audit .... .... .... | 13 |
| II. Notices .... .... .... | 13 |
| II. Dividends and Reserve .... .... .... | 14 |
| V. Investment of Funds .... .... .... | 15 |
| V. Indemnity and Responsibility .... .... | 16 |
| VI. Secrecy Clause .... ... ... | 16 |
| Schedule ... .... .... | 18 |

# MEMORANDUM OF ASSOCIATION

OF

# All-India Mutual Aid & Poor Houses Association Ltd.

1. The name of the Association is the " All-India Co-operative and Charitable Association Limited. "
2. The Registered Office of the Association will be situated in the State of Mysore
3. The objects for which the Association is established are:—
   (a) To establish Charitable Institutions in every principal town in India and also in any other part of the world for feeding the disabled and nourishing the suffering poor without any restriction of caste, creed or sex, and also for aiding Educational, Medical, Religious and other Institutions started for the good of the society.
   (b) To carry on in India and in any other part of the world the business of raising funds by issuing at par or at a premium, bonds, debentures and debenture stock, perpetual or otherwise, with or without special privileges and also with or without a specific charge on all or any part of the property of the Association.
   (c) To invest, perpetually or otherwise, the principal amount of bonds, debentures and debenture stock, in the Government, Indian or Foreign, or in securities guaranteed by the said Government.
   (d) To deposit, perpetually or otherwise, the Government securities held by the Association for safe custody with an Official Trustee or Trustees appointed by the Government or Governments, Indian or Foreign.
   (e) To maintain and aid the abovesaid Charitable and other institutions with a portion of interest accrued on the funds invested as above in the Government or in the Government Securities.
   (f) To grant loans, with or without interest or security to the holders of bonds, debentures or debenture stock, as determined by periodical drawings out of a portion of interest accrued on the abovesaid funds, and allow the repayment of the said loans by easy instalments.
   (g) To utilize a portion of interest accrued on the abovesaid funds together with the amount of instalments repayable to the Association on account of loans granted to the bond and debenture holders and also admission, stamp and other fees payable by the holders of bonds, debenture and debenture stock, for meeting the working expenses of the Association, making provision for Reserve Fund and paying dividends to the Shareholders.
   (h) To invest the paid-up capital and Reserve Fund in such securities as are determined from time to time by the Association in its General Meeting.

(i) To purchase, take or lease in exchange, or hire or otherwise acquire any estate, interest in any lands or buildings, leasements, rights, privileges, concessions and immoveable property of any tenure or kind necessary or convenient for the business of the Association in any part of the world.

(j) To erect, construct, lay down, enlarge, alter and maintain buildings, works and machinery, necessary or convenient for the business of the Association in any part of the world.

(k) To purchase or otherwise acquire the business and property of any person, firm or company carrying on any business which the Association is authorized to carry on and take over the property and liability of such person, firm or company on such terms as the Association may think fit.

(l) To enter into partnership and into an arrangement for sharing profits, union of interest, co-operation and joint adventure, reciprocal concession or otherwise, with any person, firm or company carrying on or about to engage in, any business or transaction calculated to benefit this Association and to guarantee the contracts of or otherwise assist such person, firm or company.

(m) To establish Provincial and Local Boards, Branches and Agencies in any part of the world and to discontinue the same.

(n) To enter into and carry into effect an agreement with regard to management which has already been prepared and is expressed to be made between Mr. M. L. Nagannah of the one part and the Association of the other part, and copy whereof is annexed hereto.

(o) To enter into agreements with the officers, agents and other employees of the Association on the terms and conditions as are determined by the Directors from time to time.

(p) To receive donations from the public at large and utilise for Charitable purposes.

(q) To act as Trustees for any Charitable Institution or Fund and do everything incidental and conducive to the promotion of the objects of the donors concerning the said Charitable Institution or Fund as the case may be.

(r) To do all such other things as are incidental or conducive to the attainment of all or any of the above objects.

The liability of the Shareholders is limited.

The capital of the Association is Rs. 1,00,000 divided into 2000 shares of Rs. 50 each, with power to increase.

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into an Association in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Association set opposite to our names.

| Serial No. | Names and descriptions of Subscribers. | Addresses of the Subscribers. | No. of shares taken | Nominal value of shares. | Names and addresses of witnesses. |
|---|---|---|---|---|---|
| 1 | M. S. Basavalingayya, B.A., B.L., Legal Practitioner | Old Agrahar, Mysore. | 20 | 1000 | K. R. Nagappa, 1, Bhaktivilas, Mysore. |
| 2 | T. S. Narasimhaswamy, General Contractor & Electrician. | 612, Kotwal Ramiah's Street, Mysore. | 20 | 1000 | H. S. Venkataramiah, 1, Bahktivilas, Mysore. |
| 3 | P. Subbaraya Sastry, M.A. etc., Principal, Champion Metropolitan College, Ilwal Road, Mysore. | 1938, Kotwal Ramiah's Street, Sivarampet, Mysore. | 20 | 1000 | K. R. Nagappa, 1, Bahktivilas, Mysore. |
| 4 | Sirasi Gurushanta Shastry, Palace Asthan Vidwan. | Old Agrahar, Mysore. | 20 | 1000 | do |
| 5 | A J Ram, L.M. & S, M.D. (E. H.) Physician and Surgeon. | Sayyaji Rao Road, Mysore. | 20 | 1000 | K. N. Mudaliar, Druggist, Sayyaji Rao Road, Mysore |
| 6 | K. Nagappa, Managing Proprietor of Messrs. K. Nanjundappa & Sons. | Old Thurgpet, Bangalore City. | 20 | 1000 | H. Rudrappa, Merchant, Moddagiri. Tumkur Dist. |
| 7 | M. L. Nagannah, Founder & Retd. Managing Director, Asiatic Government Security Life Assurance Co. Ltd. | Old Agrahar, Mysore. | 20 | 1000 | K. R. Nagappa, 1, Bhaktivilas, Mysore. |
| | | TOTAL | 140 | 7000 | |

**Dated this**

AUM.

# All-India Mutual Aid & Poor Houses Association Limited.

## REGISTERED OFFICE: MYSORE (S. INDIA).

—:o:—

## NOTICE.

The under-noted Articles have been incorporated after sanction by the hareholders of the Association in their Extra-ordinary General and Confirmatory leetings held on 16th December 1926 and 7th January 1927 respectively. Out of ıe following Articles, Articles 17 (c), 58 (a), 66 (a) and 89 (a) have been freshly dded to the existing Articles of Association whereas the other two Articles have een substituted for the existing Articles of the same numbers given to them.

*)ated 8—1—1927,*
*Mysore.*

K. R. Nagappa,
*Secretary.*

17. *(c)* 50% of the net profits of the Association shall be distributed among ll the existing non-drawn Bondholders once in every five years proportionate to ıe period their bonds will have been in force during the said five years.

58. *(a)* The first members of the Managing Committee of Directors shall not e subject to any rotation just as other Directors but their Office as Directors shall e permanent unless they are disqualified to be Directors.

66 *(a)* The Directors may, if they deem it necessary, organize a Provincial Board in any Province and get the funds collected in that Province invested in the respective Provincial Government even before 2000 Bondholders are secured in the said Province. The Directors may, if they deem it necessary, organize a separate Provincial Board for a particular community and the funds relating to that community shall be invested in any Government the said Provincial Board recommends.

85. The surplus amount of interest on the Bondholders' Fund (after transferring the prescribed amount to the Drawing and Charity Funds as herein—before mentioned) every year plus the admission fees, cost of Bond and penalty payable by the Bondholders plus the amount of instalments to be recovered from the (drawn Bondholders) loan recipients less all the working expenses of the Association shall be the net profit of the Association. The surplus amount of this net profit after allocating the profits to the Bondholders and Directors as per Articles 17 (c) and 52 and dividends to the Shareholders shall form the Reserve Fund of the Association.

89. *(a)* In places where the Provincial Boards are organized, the accounts with the Banks in their respective Provinces shall be operated upon by means of cheques signed by the Chairman of the Provincial Board and countersigned by the Chief Organizer and the Chairman of the Board or the Managing Committee of Directors.

93. The Personal Investment Fund (that is, the principal amount of bonds to be collected from the Bondholders) shall be invested entirely in the Government of Mysore or in any Indian or Foreign Government as permanent deposit at a fixed rate of interest. Until the Government or Governments begin to accept the deposits, the Personal Investment Fund shall be invested entirely in the Securities guaranteed by any of the said Governments.

SRI VENKATESWARA PRESS, MYSORE.

OM

# ARTICLES OF ASSOCIATION

OF

# All-India Mutual Aid & POOr Houses Association Ltd..

## I. CONSTITUTION OF THE ASSOCIATION.

It is agreed as follows:—

Association to be governed by these Articles and also Table 'A'.

1. The Association is established with Limited Liability in accordance with, and subject to, the provisions of the Mysore Companies Regulation No. VIII of 1917. The Regulations for the management of the Association shall be such as are contained in the following Articles and also in the Table 'A' of the First Schedule to the said Mysore Companies Regulation so far as they are not modified by the following Articles.

## II. PRELIMINARY.

Interpretation clause.

2. The marginal notes hereto shall not affect the construction hereof and in these presents unless repugnant to the context or subject, expressions defined below and also in the Mysore Companies Regulation No. VIII of 1917 shall have the meanings so defined; words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine also, and words importing persons shall include bodies corporate.

'The Association' or 'This Association'

"The Association" or "This Association" means 'All-India Co-operative and Charitable Association Ltd." established under the Memorandum of Association to which these Articles are annexed.

These Presents or Regulations.

'These Presents' or 'Regulations' means and includes the Memorandum and these Articles of Association, and any modification or alteration thereof for the time being in force.

Shareholders or Members.

'Share-holders' or 'Members' means the duly registered holders from time to time of the Shares of the Association.

Directors.

'Directors' means the Directors for the time being of the Association or the Directors assembled at a Board as the case may be.

Board.

'Board' means a meeting of the Directors duly called and constituted.

Year.

'Year' means calendar year.

Acts.

'Acts' means the Mysore Companies Regulation No. VIII of 1917 and any statutory modification or alteration thereof for the time being in force.

## III. CAPITAL.

Amount of capital and minimum subscription.

3 The Capital of the Association, for the time being, shall be Rs. 1,00,000 divided into 2000 shares, of Rs. 50 each and the minimum number of shares to be subscribed before the first allotment of shares and the commencement of the business of the Association shall be 200 shares of the nominal value of Rs. 10, 000.

Allotment of Shares.

4. The shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons, on such terms and conditions, and either at a premium or at par, and at such times, as the Directors think fit, and with full power to give to any person the call of any shares either at par or at premium, during such time, and for such concession as the Directors think fit.

Payment of Share Calls and sale of shares at a premium.

5. The Directors, unless they otherwise determine, shall, for the time being, call Rs. 50 fully per share and recover the same by instalments, that is, Rs. 2—8—0 with the application, Rs. 2—8—0 on allotment and the balance Rs. 45 by nine quarterly instalments of Rs. 5 each from the date of allotment; and the shares of the Association shall, unless otherwise determined by the Directors, be sold at a premium of Rs. 2-8-0 per share and the said premium shall be recovered with the application alone.

Commission for placing shares.

6. The Association may at any time pay a commission to any person for subscribing or agreeing to subscribe ( whether absolutely or conditionally ) for any shares in the Association, or for procuring or agreeing to procure subscriptions ( whether absolutely or conditionally ) for any shares in the Association, so that if the commission shall be paid or payable out of capital, the statutory requirements and conditions shall be observed and complied with and the commission thus payable shall not exceed 5 % on the nominal value of shares in each case subscribed or to be subscribed.

Forfeiture and revival of shares.

7. The Directors or any person authorized by them may forfeit any defaulting share or shares after giving thirty days' notice for the payment of allotment money or instalments due, and they or the said person may at any time before the said forfeited shares shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they or he thinks fit.

Issue of bonds to the shareholders and their participation in the Annual Drawings.

8. Every shareholder shall be entitled to a Personal Investment Bond of Rs. 50 per each share he holds, on payment of Rs. 2-8-0 per bond towards admission fee and cost of bond, but he shall be eligible to participate in the Annual Drawings only after he completes the payment of his full share amount. If any Shareholder wishes to participate in the said Drawings before that, he shall be required to pay the Personal Investment Department As. 4 per bond per month towards interest from the beginning of the calendar year in which he gets the bond until the end of the month in which he completes the payment of his full share amount. But no shareholder shall be entitled to the refund of the amount of bond or bonds issued in his favour and he shall never cease to be a bondholder as well as a shareholder

Copies of the Memorandum and Articles of Association.

9. Copies of the Memorandum and Articles of Association shall be furnished by the Directors to every shareholder at his request on payment of their price not exceeding Re. 1 per each copy.

## IV. BUSINESS.

Place of business.

10. The Head Office of the Association shall be in the City of Mysore and the business of the Association shall be carried on there and at such other place or places within and beyond the limits of India, Burmah and Ceylon as the Board may deem advisable.

Nature and conduct of business.

11. Although the main business of the Association for the time being shall be to raise funds by issuing bonds under the Personal Investment Scheme of the Association, and to maintain Charitable Institutions out of a portion of interest accruable on the said Personal Investment Funds as mentioned hereinafter, yet the business of the Association shall include everything within the scope of the Memorandum of Association. Such business shall be carried on by or under the management and direction of the Board; and any act or thing, and any branch or kind of business which by the Memorandum of Association is either expressly or by implication authorized to be done, suffered or undertaken by the Association, may be undertaken by the Directors at such time or times and in such manner as they shall think fit.

12 Any number of series of one lakh bonds shall be issued by the Association in favour of those who are desirous of depositing Rs. 50 each with the Association free of interest, and the qualified holders of the said bonds shall be entitled to receive loans ranging from Rs. 1000 to Rs. 5000 without interest on their personal security, repayable in 100 monthly instalments of Rs. 10 per thousand, as determined by the drawings of every calendar year to be held on 31st January of the subsequent calender year, as explained below.

Issue of bonds.

Grant of loans by drawings.

**Example:**—If there will be 1,00,000 qualified bond-holders (in any series issued by the Association) on 1st January of a calendar year, the Association will have collected not less than Rs. 3,00,000 towards interest during the said calendar year either from the bond-holders themselves or by investing the fully paid-up bond amounts in the Government or in the Government Securities at a minimum rate of 6 per cent interest per annum. Out of the names of the said one lakh bond-holders, only one hundred names will be drawn in the drawings of the said year to be held on 31st January of the subsequent calendar year and the first and second drawn bond-holders will get loans of Rs. 5000 and Rs. 2000 respectively, while the remaining 98 drawn bond-holders will get loans of Rs. 1000 each, amounting in all to Rs. 1,05,000 and leaving a surplus of Rs. (3,00,000 less 1,05,000) 1,95,000 for being utilized for charitable and other purposes as mentioned hereinafter.

Example for holding drawings and distributing loans among the drawn bond-holders.

13. If the number of qualified bond-holders be less than one lakh on the first day of a calendar year, so many names as many thousands of qualified bond-holders as there will be on the said day shall be drawn in the drawing of that year and all the drawn bond-holders including the first and the second also shall get a loan of Rs 1000 each. If there be any part of one thousand, the last drawn bond-holder shall get a loan of so many hundreds of rupees as many complete hundreds of bond-holders as there will be in that part of one thousand as explained below.

Drawing when the number of bond-holders is less than one lakh.

**Example:**—If there will be 78,422 qualified bond-holders on the first day of a calendar year, only 79 names will be drawn as there will be one incomplete and 78 complete thousands. So, 78 drawn bond-holders will get a loan of Rs. 1000 each while the last (i.e. 79th) drawn bond-holder will get only Rs. 400 as there will be only four complete hundreds in that one incomplete thousand.

Example for the above.

14. Any person of sound mind, aged 18 or above, can take up any number of bonds in any series without any restriction of caste, creed or sex. Every bondholder shall pay Rs 2-8-0 per bond with his application towards admission fee and cost of bond.

Eligibility for taking up bonds and payment of admission fee and cost of bonds.

15. In case a bondholder cannot pay the bond amount of Rs. 50 in lumpsum with his application, he shall be allowed to pay the same by instalments of not less than Re. 1 each, per month, but such bondholders shall pay an interest of As. 4 per month per bond until they complete the payment of Rs. 50. Both the abovesaid instalments and interest shall be paid on the first of each calendar month and the said instalment and interest shall commence to be paid from the month following that in which the allotment of bond will be made.

Payment of bond amount by instalments.

16. If the monthly instalment and interest are not paid within the month in which they fall due, the bond shall lapse to the Association and the name of the bondholder shall be struck off, and the amounts paid thereon till then forfeited to the Association in case the same is not got revived by the bondholder within three months from the date of default, on payment of all arrears with a penalty of one anna per Rupee per month.

Forfeiture, Revival and penalty.

Eligibility of bond-holders to participate in the drawings.

17. (a) The bondholders who will have paid-up their bond amountsfully before 1st January and also those who have not completed the payment of their bond amounts before the said 1st January, but will have paid all the due monthly instalments and interest till the end of a calendar year without anything in arrears, shall be qualified to participate in the drawings of the said calendar year.

(b) Those persons that take up bonds subsequent to January in a calendar year and who pay interest at As. 4 per bond per month from 1st January upto the end of the month in which the bonds will be allotted to them shall also be qualified to participate in the drawings provided the monthly instalments and further interest on their bonds payable during the said calendar year will not be in arrears.

Deduction of balance bond amount out of the loan advanced.

18. If the name of any partly paid-up bond-holder is drawn, the balance amount due on his bond shall be deducted out of the loan amount to be paid to him.

Refund of bond amount to the bond-holders.

19. No bond-holder in any series shall be entitled to the refund of his bond amount until his bond is drawn, but he shall be allowed to adjust his bond amount out of the last instalments payable by him on account of the loan advanced to him.

Non-inclusion of the drawn bonds in subsequent drawings and when bond-holders cease to be such.

20. The bonds once drawn shall not be included in the subsequent drawings and the drawn bond-holders shall cease to be the holders of their bonds after they liquidate the loan amounts advanced to them.

Rights of the heirs of the deceased and other bond-holders.

21. The legal heirs of the deceased bond-holders or of those who become lunatic or of unsound mind shall have the same rights and privileges as if they had been original bondholders.

Security to be furnished by the drawn bond-holders if required by the Directors.

22. The Directors, before the grant of loan to any drawn bondholder, may, at their discretion, ask the said bondholder to furnish a personal guarantee of any respectable person for the repayment of the loan amount in case of the bond-holder's death before the repayment of the said loan amount, or to take up a life policy to the extent of the loan amount in his name in any Life Assurance Company approved by the Association on payment of the first year's premium and keep the said policy deposited with the Association as security for the loan amount advanced so that the unpaid loan amount may be adjusted out of the assured amount and the balance paid to the heirs or the nominees of the bondholder in case of his previous death, to avoid litigation which would otherwise arise.

When unpaid loan amount becomes immediately payable.

23. In case any bondholder, after the receipt of the loan amount, discontinues the payment of his instalments for three consecutive months or allows his policy deposited with the Association to lapse owing to the non-payment of his premiums on due dates, the unpaid loan amount shall become immediately payable by him to the Association.

Holding drawings in places other than the Head Office.

24. If there will be not less than 100 bondholders eligible for drawing in any Province or principal town, the Directors may, at their discretion, allow a drawing of the bondholders of that Province or the principal town to be held therein and the names of the bondholders of the said Province or the principal town as the case may be shall not be included in the drawings to be held at the Head Office of the Association if the drawing is held in the said Province or principal town. The examples given under Articles 12 and 13 shall apply to each of the said drawings held separately.

Opening branches in

25. After the Provincial Board is organised in a Province, the Directors

may open a Branch of the Association in the said Province under the management of the said Provincial Board subject to the control and supervision of the Directors. The Directors, if they deem it advisable, may even transfer the accounts of all the bond-holders in the said Province to the said Branch Office and authorize the Provincial Board to issue bonds from the said Branch Office alone.

other Provinces, transfering of bond-holders' accounts to the said branches and authorizing the issue of bonds by them.

26. The principal amount of bonds to be collected from the bond-holders shall form a separate fund called ' The Personal Investment Fund ' and such fund shall be as absolute security for the bond-holders.

Personal Investment Fund and sole charge of the bond-holders thereon.

27. The bond-holders of the Association in a Province shall have a preferential lien on the funds collected and invested either in the Government of the said Province or in the securities guaranteed by the said Provincial Government.

Preferential lien of the bond-holders on the funds collected in each Province.

28. The Directors may, if they think it advisable, issue any number of series of bonds of higher or lower denomination and give the benefits to the holders of the said bonds proportionately.

Issue of bonds of higher or lower denomination with proportionate benefits.

29. The Directors may, whenever they deem it necessary, issue separate series of bonds for each Province, or community as they shall think fit.

Separate series for each Province or Community.

## V. CHARITABLE INSTITUTIONS.

30. The Directors shall start Charitable Institutions for feeding the disabled and nourishing the suffering poor at Mysore and also in each and every Province or Principal town throughout India, Burmah and Ceylon and 50 per cent. of the interest accruable on the bondholders' funds of the Association shall be exclusively utilized for the maintenance of the said institutions.

**Where Charitable Institutions are to be started and how maintained.**

31. If there will be any surplus out of the above said 50 per cent. interest after meeting the expenses of such institutions, the Directors may utilize the same for aiding the Educational, Medical, Religious and other similar charitable institutions as they think fit.

**Surplus of 50 per cent. interest to be utilized for aiding Educational, Medical, Religious and other institutions.**

32. Fifty per cent. of the interest accruable on the funds to be collected from one lakh bondholders of the first series shall be exclusively utilized for aiding the Educational Institutions and Students' Homes to be established throughout India by His Holiness Sri Jagadguru Sivananda Rajendra Sivacharya Mahaswami of Rambhapuri, and the amount thus allotted shall be allocated by a Committee consisting of His Holiness as President and the Directors of the Association as the members of the said Committee.

**Utilization of half of the interest accrued on the funds of the first series.**

33. If there will be not less than 2,000 fully paid-up bondholders in a Province, District, Taluk or town, the Directors shall at once organize a Provincial or Local Board, as the case may be, in the said Province, District, Taluk or town and make necessary arrangements for starting a charitable institution therein as mentioned in Article No. 30. In case a charitable institution is so started in a Province, District, Taluk or town, 50 per cent. of the interest accruable on the funds of the bondholders in the said Province, District, Taluk or town shall be utilized exclusively for maintaining the charitable institution in the said Province, District, Taluk or town alone.

**When charitable institutions to be started and how they are to be maintained.**

## VI. MANAGEMENT OF BUSINESS.

34. Mr. M. L. Nagannah shall be and he is hereby appointed as the Chief Organizer of the Association in terms of the agreement, a draft whereof, is set out in the schedule hereto. He shall do everything necessary

**Appointment of the Chief Organizer.**

for the promotion, registration, formation and establishment of the Association, and also he shall have power to pay and charge to the Capital account all the legal costs, charges and expenses of and incidental to the same.

Association to enter into agreement and agreement to be sealed by the Association.

35. The Association shall enter into the abovesaid agreement with Mr. M. L. Nagamah and the Directors shall forthwith, after the incorporation of the Association, affix the seal of the Association to the said agreement. The Association is formed on the basis that the said agreement shall be entered into and every member of the Association, present or future, shall be deemed to have noticed the provisions of the agreement and to have assented to the terms thereof

Duties of the Secretary.

36. The business of the Association shall be carried on by the Secretary of the Association at Mysore in the name of the Association in the ordinary course, under the control and directions of the Chief Organizer, subject to the Regulations of the Association and bye-laws of the Board of Directors and all receipts signed by the Secretary shall be valid and sufficient to all intents and purposes. The Secretary of the Association shall cause all various disbursements made in carrying on the business of the Association with the previous sanction of the Chief Organizer and shall cause proper accounts kept of all the transactions of the Association. The Secretary, at the end of every calendar year, shall settle and adjust accounts of the Association with the Board and Auditors and shall make out a Balance Sheet and all the Returns and statements required by the Acts to be audited and signed as the Acts require.

Secretary to be in charge of the Head Office.

37. The Secretary shall be solely in charge of the Head Office of the Association and keep all books, documents, papers, accounts etc belonging to the Association in such form as the Chief Organizer directs. The Secretary shall also keep all letters signed by him and shall submit to the meetings of the Association and of the Directors and the Committee, requiring the attention of these bodies.

The Secretary to comply with the provisions of the Acts and Regulations of the Association.

38. The Secretary shall duly comply with the provisions of the Acts and the Regulations of the Association and he shall submit all the necessary returns to the Registrar as well as to the members of the Association then and there in due time in compliance with the said Acts and Regulations.

General Management in the hands of the Chief Organizer.

39. The general management of the business of the Association, subject to the control and supervision of the Directors, shall be in the hands of the Chief Organizer of the Association, who shall have power and authority on behalf of the Association, subject to such control and supervision, to do all other things usual, necessary or desirable in the management of the affairs of the Association or in carrying out its objects, and shall have power to appoint and employ, in or for the purpose of the transaction and management of the affairs and business of the Association, or otherwise for the purpose thereof, with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise, as he shall think fit, and from time to time to remove or suspend the Secretary, Managers, Officers, Chief Agents, Agents, Clerks and other employees as he shall think proper.

Chief Organizer to have power to sub-delegate.

40. The Chief Organizer shall be authorized to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him either by these Articles or by the Directors, and in particular, from time to time appoint an Attorney or Attorneys, for the management and transaction of the affairs of the Association in any specified locality, in such manner as he may think fit.

Endorsement of

41. All Government securities held by the Association, and requiring

the endorsement of the Association, shall be endorsed for and on behalf of the Association by the Secretary, the Chief Organizer and the Chairman of the Board of Directors. Cheques or orders for payment (including that of interest accrued on the Government Securities) given to the Association's bankers for collection, and requiring endorsement of the Association, may be endorsed, on its behalf, by the Secretary alone or such other officer authorized by the Board, and in case the said cheques or orders for payment are to be encashed, the same shall be signed by the Secretary and countersigned by the Chief Organizer.

bills etc.

42. The Chief Organizer shall act as the Superintendent of all the charitable institutions started and aided by the Association.

The Chief Organizer to be the Superintendent of all charitable institutions.

## VII. GENERAL MEETINGS.

43. The General Meeting shall be held once at least in every calendar year at such time, not being more than 15 months after the holding of the last preceding General Meeting at such place in Mysore as may be determined by the Directors. Such General Meetings shall be called 'Ordinary Meetings' and all other meetings of the Association shall be called 'Extraordinary Meetings.' 15 clear days' notice at least shall be given to the members for every General Meeting, ordinary or extraordinary.

Ordinary and Extraordinary General Meetings to be held.

44. Five members present in person and entitled to vote, shall be a quorum for an Ordinary General Meeting while the quorum for an Extraordinary General Meeting shall be not less than ten members present in person and entitled to vote.

Quorum.

45. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting. If their be no chairman or if at any meeting, he shall not be present within half an hour after the time appointed for holding such meeting, or is unwilling to act, the Directors present may choose a Chairman, and in default of their doing so, the members present shall choose one of the Directors to be chairman, and if no Director be willing to take the Chair, shall choose one of their number to be Chairman.

Chairman of the General Meetings.

46. Where it is proposed to pass a special resolution, the two meetings may be convened by one and the same notice, and there shall be no objection to such notice as it only convenes the second meeting contingently on the resolution being passed by requisite majority at the first meeting.

Two meetings convened by one notice.

47. The accidental omission to give notice of any meeting to any of the members shall not invalidate any resolution passed at any such meeting.

Ommission to give notice.

## VIII. DIRECTORS.

48. Until otherwise determined by a General Meeting, the number of Directors shall be not less than 4 and not more than 7 excluding Bondholders' Representative. The subscribers of the Memorandum of Association shall be the first Directors of the Association. They shall continue as such until they resign or any others are elected in their place in the first or subsequent General Meetings subject to the provisions of any agreement between all or any of them and the Association.

Number of Directors and first Directors.

49. As soon as there will be 2,000 fully paid-up bondholders, the Directors shall apply either to the Government of Mysore or that of India for the appointment of a Bondholders' Representative on the Board of Directors to watch the interests of the bondholders. The said appointment may be made by the Government once in every year or otherwise as they shall think fit. The Bondholders' Repre-

Election of bondholders' representative by the Government to be on the Board and his remuneration.

sentative shall be entitled to the same privileges and remuneration as any other Director of the Association.

Power of Directors to appoint additional Directors.

50. The Directors shall have power, at any time, and from time to time, to appoint any other qualified person as a Director, either to fill up a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not, at any time, exceed the maximum number fixed.

Qualification of each Director and when the office of a Director to be vacated.

51. The qualification of a Director shall be the holding of at least 20 shares in the Association to the nominal value of Rs. 1000/-. The Office of a Director shall **ipso facto** be vacated if he ceases to hold the number of shares required to qualify him for office, or if he becomes a defaulter on account of non-payment of two instalments consecutively or if he is convicted for any offence involving moral turpitude.

Remuneration of Directors.

52. A Director shall be paid by way of remuneration for his services a sum of Rs. 25 for each meeting of the Board and a sum of Rs. 12-8-0 for each meeting of the Committee attended by him and all the Directors including Bondholders' Representative (if any nominated) shall, in addition, receive 10 per cent of the net profits of the Association every year to be divided equally among them. Until the business of the Association is commenced, the Directors shall not be entitled to any meeting fees and even after the business is commenced, they shall be entitled to only half of the meeting fees specified above till the whole capital of the Association is fully subscribed.

Travelling expenses of the Directors.

53. The Directors may allow and pay to any Director who is not a bona-fide resident of Mysore and who shall come to Mysore for the purpose of attending the meeting, such sum as the Directors may consider fair compensation for his travelling expenses in addition to his fee for attending such meeting as above specified.

Power of Director to retire.

54. A Director may retire from office after giving three months' notice in writing to the Association of his intention so to do, and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.

Who is to call the meeting of Directors and Committee of Directors.

55. The Secretary on the requisition of the Chief Organizer or of the majority of the Directors, shall at any time, summon the meeting of the Directors or of the Committee of Directors.

Quorum and number of meetings.

56. Unless otherwise determined by the Directors, the quorum of the meeting of the Board or the Committee of the Directors, shall be three. In a calendar year, the meetings of the Board shall not be more than two and those of the Committee shall not be more than twelve, except in emergent cases

Resolution without Board Meeting valid.

57. A resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

Appointment of the Committee.

58. The Directors shall appoint a Committee consisting of the Chief Organizer, the Bondholders' Representative ( if any nominated ) and two of the other Directors for conducting the business of the Association and all acts done by the said committee in conformity with the Regulation but not otherwise, shall have the like force and effect as if done by the Directors unless any of such powers are specifically restricted by the Board.

Powers and duties of the Committee.

59. The Directors may, from time to time, entrust to and confer upon the said Committee such of the powers exerciseable under these presents by the Directors as they may think fit and may confer such powers for such

time and to be exercised for such object and purposes and upon such terms and conditions, and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of, and substitution for, all or any of the powers of the Directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Meetings of the Committee.

60. The Committee shall in the exercise of powers so delegated, conform to any Regulations that may, from time to time, be imposed upon it by the Directors. The meetings and the proceedings of the said Committee shall be governed by the Regulations provided for conducting the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any Regulations made by the Directors.

Resolutions of the Committee requiring the approval of the majority of the Directors.

61. All the resolutions passed in a meeting of the Committee concerning matters of which powers are restricted by the Directors shall be circulated to all the Directors of the Association who are not members of the Committee for approval by post or otherwise and such resolutions as will meet the approval of the majority of them shall be given effect to.

Minutes of proceedings of the Association and of the Directors and Committee to be kept.

62. The Directors shall cause minutes to be made in books provided for the purpose,

1. of all the appointments of the officers and Committees made by the Directors;

2 of the names of the Directors present at each meeting of the Directors and of Committee of Directors;

3. of all orders made by the Directors and Committee of Directors;

4. of all resolutions and proceedings of General Meetings, and all meetings of the Directors and Committee.

Minutes of proceedings if signed by the Chairman shall be received as prima-facie evidence.

63. Any such minutes of any meeting of the Directors or of the Committee or of the Association, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall be received as prima-facie evidence of the matters stated in such minutes.

Secretary to send copies of resolutions of meetings to all the Directors.

64. The Secretary of the Association shall act as the Secretary of all the meetings of the Directors and of the Committee of Directors and he shall be in charge of the Minutes book. Copies of all resolutions and proceedings of every meeting of the Directors or of the Committee of Directors shall be sent to all the Directors of the Association within a week from the date of such meeting, and every copy shall be certified by the Secretary and the Chairman of the Meeting as true copy of the said resolutions and proceedings.

## IX. POWERS OF DIRECTORS.

Powers of Directors.

65. The Directors, in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Association, and are not hereby or by law expressly directed or required to be exercised or done by the Association in General Meeting; but subject, nevertheless, to the provisions of the said Act and under these presents, and to any Regulations from time to time made by the Association in General Meeting; provided that no Regulation so made shall invalidate a prior act of

the Directors which would have been valid if such Regulation had not been made.

Express powers of the Directors,

66. In furtherence and in not limitation of, and without prejudice to the general powers conferred by these Articles, it is hereby expressly declared that the Directors shall have the following powers, that is to say, power:—

to pay preliminary expenses.

(a) to pay and to charge to the Capital Account of the Association the Legal costs, charges and expenses of and incidental to the promotion, registration, formation and establishment of the Association,

to execute agreement.

(b) to execute or cause to be executed on behalf of the Association an agreement in terms of the draft thereof already prepared and purporting to be made between the Association of the one part and Mr. M. L. Nagannah of the other part, which draft is set out in the Schedule hereto,

to execute other agreements.

(c) to execute or cause to be executed on behalf of the Association an agreement or agreements with any person or persons for conducting and furthering the business of the Association upon the terms and conditions as they think fit,

to organize Provincial and Local Boards, Branches & Agencies.

(d) to organize Local and Provincial Boards, Branches and Agencies within and beyond the limits of India, Burma and Ceylon whenever the Directors deem it necessary, on such terms and conditions and also with such powers and duties as the Directors may, from time to time determine,

foreign business.

(e) to take all necessary steps for registering the Association in conformity with the laws of any foreign State or British Colony or Dependency and apply for and accept all statutes, laws or Decrees of the Government or authorities thereof necessary or expedient for enabling the Association to carry on business w thin the jurisdiction of such State or Colony or Dependency, and for the purpose of transacting business or of getting the advantage of business transactions abroad, to form and carry subsidiary company ,English, Colonial or Foreign and to subscribe for or purchase and hold or dispose of the whole or any part of the capital of such company and to use any subsidiary company as Agency or Branch,

to pay expenses for formation of such companies,

(f) to pay out of the capital of any such company all fees, costs, charges and expenses which may be incurred, or sustained in connection with the promotion and registration of any such company, or in connection with any other matter relating thereto,

to appoint and remove officers and others.

(g) to appoint and at their pleasure to remove or suspend (subject to the provisions of any agreement between them and the Association) Secretaries, Managers, Officers, Local and Provincial Directors, Chief Agents, Agents, Clerks and other employees for permanent or temporary or special services as they may from time to time, think fit and to determine their powers and duties and fix their salaries or emoluments and to acquire security in such instances and to such amount as they think fit,

payable in such manner and generally upon such terms as the Board shall think fit,

to pay debts and claims.

(p) to pay and satisfy all debts due from and all liabilities of and claims and demands against the Association,

to delegate and sub-delegate powers etc.

(q) to delegate to any person or persons any of the powers, authorities and discretions vested in the Directors and also authorise him or them to sub-delegate,

to issue power of Attorney

(r) to appoint by power of attorney any person or persons to be the attorney or attorneys of the Association for such purpose and with such powers, authorities and discretions and for such period and subject to such conditions as the Directors may, from time to time, think fit,

to appoint Trustees.

(s) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Association in which it is interested or any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such Trustee or Trustees,

to authorize acceptance etc.

(t) to determine the person or persons who shall be entitled to sign on behalf of the Association bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents,

to give security by way of indemnity.

(u) to execute in the name of and on behalf of the Association in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Association, such mortgages of the Association's property, present and future, as they think fit and any such mortgage may contain the power of sale and such other powers, covenants and provisions as shall be agreed upon,

to invest funds of the Association.

(v) to invest the funds of the Association from time to time in any Government Securities, to vary such invesments and to execute all assignments, and tranfers, receipts and documents that may be necessary or expedient in that behalf,

to pay commission and profits.

(w) to give to any person employed by the Association a commission or share in the general profits of the Association on any particular business done by him such commission or share of profits being treated as part of working expenses of the Association,

to frame bye-laws.

(x) to make bye-laws in conformity with these Articles to provide for cases and conditions not provided for herein and

general.

(y) generally to do, sanction and authorise all such matters and things as may be necessary to be done in or about conducting the affairs of the Association or carry into effect all or any of the objects or powers of the Association as expressed in the Memorandum of Association, or in and about the execution of all or any of the powers hereinbefore conferred upon the Directors.

(h) to enter in the name and for the purposes of the Association into such contracts as they may, in the exercise of discretion, consider necessary, including the accepting, making and negotiating of bills of exchange, promissory notes or other similar obligations, — to enter into contracts

(i) to institute, conduct, defend, compromise and abandon any legal proceedings by or against the Association or its officers or otherwise, concerning the affairs of the Association, — to institute legal proceedings.

(j) to refer to arbitration any claims or demands of or against the Association or any differences between the Association or the Board and other persons, and to perform and observe the awards therein or to contest the same if thought expedient, — to refer to arbitration.

(k) to issue in their absolute discretion the whole or any part of the shares for the time being forming part of the capital of the Association as and when and subject to such terms and conditions and either at par or at such premium, and to such person or persons, to the exclusion of any other persons or class of persons as the Board, acting in pursuance of these presents, may deem it necessary, proper or expedient in any circumstances whatsoever, — to issue shares.

(l) to purchase, hire, rent or otherwise acquire at any place whatever, such lands,houses and buildings, as they consider advisable for the purposes of the Association and to pull down, remove, alter and convert any such houses or buildings and to fit up and furnish, and insure against loss by fire all or any such houses or buildings with or without fittings and furniture, and to let or demise or give possession of, the whole or any part of the same whether fitted up or furnished or otherwise to such person or persons and upon such terms as to tenancy and occupation, as they consider advisable in the interests of the Association and the promotion of or carrying on its business, — to acquire lands and buildings.

(m) to let, mortgage, sell or otherwise dispose of any property of the Association either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit, and to accept payment or satisfaction for same in cash or in the Association debentures or in fully paid-up or other shares of the Association or partly in cash and partly in such debentures or shares or in such other manner as the Board deem expedient, — to mortgage and sell property.

(n) to buy or procure the supply of all plant, machinery, materials, stores, fuel, implements, apparatus, furniture and other moveable property required for the purposes of the Association, — to purchase machinery etc. for the use of the Association.

(o) to raise or borrow money for the purpose of the Association on the mortgage of its property or any part thereof or otherwise, and either including any part of the capital of the Association paid or unpaid, and either on any bond or debenture payable to bearer or otherwise, or on any call or any of such securities and at such rate of interest and re- — to borrow money.

## X. SEAL.

The seal, its custody and use.

67. The Directors shall provide a common seal for the purposes of the Association, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Directors shall provide for the safe custody of the seal for the time being and the seal shall never be used except by the authority of the Directors or the Committee of Directors previously given.

Deeds.

68. All deeds, certificates or other instruments executed on behalf of the Association, shall be in such form and contain such powers, provisos, conditions, covenants, clauses and agreements as the Directors shall think fit and in addition to their being impressed with the seal of the Association, they shall be signed by the Secretary and counter-signed by the Chief Organizer or any other Director appointed by the Board; in case the said certificate, deed or instrument is in favour of either the Secretary or the Chief Organizer, it shall be signed by any two of the other Directors.

## XI. AUDIT.

Accounts to be audited annually.

69. Once at least in every calendar year the accounts of the Association shall be examined and the correctness of the Profit and Loss Account and the Balance Sheet ascertained by one or more Auditor or Auditors.

Audit provisions; rights and duties of auditors.

70. The Association, at each Ordinary General Meeting, shall appoint an Auditor or Auditors to hold office until the next Ordinary General Meeting and their remuneration, rights and duties shall be regulated by Sections 144 and 145 of the Mysore Companies Regulation.

Audit of accounts by the auditor appointed by the Government.

71. As soon as the Association secures 2,000 fully paid-up bondholders, the Directors shall apply to the Government of Mysore for the appointment of an auditor on behalf of the bondholders for auditing the accounts of the Association in addition to their being audited by the Auditor appointed by the Shareholders. If the Government appoints such an auditor, such remuneration as the Government direct, shall be paid to him by the Association.

When accounts to be deemed finally settled.

72. Every account of the Directors when audited and approved by the General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered, within that period, the accounts shall forthwith be corrected and thenceforth shall be conclusive.

Destruction of records relating to the period previous to 3 years.

73. The Secretary, at the end of every calendar year may, with the previous sanction of the Board, destroy files of correspondence, vouchers and other papers which will be relating to the period previous to three years and also not required for any future reference they being unnecessary and unimportant.

## XII. NOTICES.

How notices are to be served on members.

74. The notice may be served by the Association upon any member, either personally or by sending it through the post in a prepaid card, letter, envelope or wrapper, addressd to such member at his registered place of address.

Members residing abroad.

75. Each holder of registered shares whose registered place of address is not in India, Burma or Ceylon, may from time to time, notify in writing to the Association an address in India, Burma or Ceylon, which shall be deemed his registered place of address within the meaning of the last preceding clause.

Notices where no

76. As regards those members who have no registered place of address

address.

in India, Burmah and Ceylon, a notice posted up in the Office shall be deemed to be well served on them at the expiration of 24 hours after it is posted up.

Notice to joint-holders.

77. All notices shall, with respect to any registered shares to which persons are jointly entitled, be given to whichever of such persons is first named in the register and notice so given shall be sufficient notice to all the holders of such shares.

When notice by post deemed to be served.

78. Any notice sent by post shall be deemed to have been served on the day on which the card, letter, envelope or wrapper containing the same is posted and in proving such service, it shall be sufficient to prove that the card, letter, envelope or wrapper containing the notice was properly addressed and put into the post office. A certificate in writing signed by the Secretary, Manager or other officer of the Association that the card, letter, envelope or wrapper containing the notice was so addressed and posted shall be conclusive evidence thereof.

Notice by advertisement in newspapers.

79. The Notice of the General Meeting whether ordinary or extraordinary, may be given to the members by advertisement only once in two daily newspapers one of which should be a local newspaper and the other should have publication in British India. If the notice is so given by advertisement, the notice shall be deemed to have been served upon the members on the day the said notice will be published in the said papers.

Transferees etc. bound by prior notice.

80. Every person who, by operation of transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such shares which, previously to his name and address being entered in the register, shall be duly given to the person from whom he derives his title to such share.

Notice valid though members deceased.

81. Any notice or document sent by post to, or left at the registered address of, any member, in pursuance of These Presents, shall, notwithstanding such member being then deceased, or whether or not the Association has notice of his decease, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder thereof, and such service shall for all purposes of These Presents be deemed sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any, jointly interested with him, in any such shares.

How notice to be signed.

82. Any notice to be given by the Association shall be signed by the Secretary or by such other officer as the Directors may appoint and the signature thereto may be written, printed or lithographed.

## XIII. DIVIDENDS AND RESERVE.

Payment of dividends to shareholders

83. The Shareholders shall be entitled to the dividends out of the profits of the Association provided they will have paid up their full share amounts before the end of the year for which the dividends will be declared.

Unclaimed dividends

84. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Association until claimed and all dividends unclaimed for three years after having been declared, may be forfeited by the Directors for the benefit of the Association.

Reserve Fund.

85. The surplus amount of interest accrued on the bondholders' fund (after transferring the prescribed amount to the Drawing and Charity Funds

as herein-before mentioned) every year, plus the admission fees, cost of bond and penalty payable by the bondholders as also the amount of loans re-payable by the drawn bondholders, less all the working expenses of the Association and the dividends payable to the Shareholders shall be the Reserve Fund of the Association.

When Charity Fund can be appropriated for working expenses.

86. If in any year the working expenses of the Association exceed the surplus amount of interest and other incomes of the Association as mentioned in the last preceding Article, the Directors shall appropriate a portion of interest amount transferable to the Charity Fund for that year so as to cover the expenses incurred in excess during that year in case they find that the same cannot be met out of the existing Reserve Fund.

Appropriation of forfeited shares and bonds amount.

87. Till the preliminary expenses are entirely written off, the amount of forfeited shares and bonds shall be transferred to the Profit and Loss Account of the Association while the same shall be transferred to the Reserve Fund of the Association thereafter. The transfer of the forfeited shares amount shall be effective only after the shares so forfeited are re-issued by the Association.

Appropriation Reserve Fund.

88. The Directors may, from time to time, apply the Reserve Fund, if any, or such portion thereof as they think fit, to meet contingencies or losses or for equalizing dividends or for repairing and maintaining buildings and premises of the Association or any part thereof or for any purpose of the Association which they may, from time to time, deem expedient.

## XIV. INVESTMENT OF FUNDS.

General Banking accounts.

89. The Directors shall cause the banking account or accounts of the Association to be kept in the name of the Association with such bank or bankers as the Directors from time to time, determine and every sum paid on behalf of the Association amounting to Rs. 100 or upwards (except payments made from suspense account) shall be paid by cheque drawn on the bank or bankers of the Association and signed by the Secretary of the Association and countersigned by the Chief Organizer and the Chairman of the Board of Directors.

Suspense Account with the bank.

90. The Directors may, if they think fit, open an account with the local bankers of the Association to be called the Suspense Account and may place a sum not exceeding Rs. 1000 to the credit thereof and may authorize the Secretary and the Chief Organizer alone to operate on such account for the purposes of the Association and the Board shall, at each of their Meetings, examine and audit the suspense account and may, if they think fit, replace the amount which has been drawn from that account or so much thereof as they deem expedient by transferring to that account from the General Funds of the Association a sum equal to the amount which has been so drawn out or by such other means as they think fit.

Authority of Board for payment.

91. No payment other than payment from the Suspense Account shall be made without the authority of the Board or the Committee of the Directors

Investment of paid-up capital.

92. The paid-up capital of the Association shall be invested entirely in the Personal Investment Department of the Association and the said Department shall issue Personal Investment Bonds in favour of the Shareholders in lieu of the Share amounts to be invested therein so that the shareholders also may enjoy the privileges of the bondholders as mentioned in Article No. 8.

Investment of personal Investment Funds.

93. The Personal Investment Funds (that is, the principal amount of bonds to be collected from the bondholders) shall be invested entirely and also

perpetually either in the Government of Mysore or in either Indian or Foreign Government at a minimum rate of six per cent. interest per annum. In case no Government is willing to receive the abovesaid funds as perpetual deposit at the abovesaid rate of interest, the said Personal Investment Funds shall be invested entirely in the securities guaranteed by any of the said Governments.

Appointment of Official Trustee or Trustees, and the Government securities to be kept in safe custody.

94. If the Government securities are purchased by the Association as mentioned in the last preceding Article, they shall be held for safe custody by an Official Trustee or Trustees appointed for the purpose by either the Government of Mysore or any other Government, either Indian or Foreign or both.

Government Securities to be deposited with the Bankers of the Association.

95. Till the Official Trustee or Trustees are appointed by the Government, all the Government securities purchased by the Association shall be kept deposited with the Bank or Bankers of the Association for safe custody.

Funds invested in and Official Trustee appointed by Local Governments.

96. If there will be not less than 2,000 fully paid-up bondholders in any Province, the Directors may invest the funds collected from the bondholders in the said Province either in the said Provincial Government or in the Securities guaranteed by such Government and they may allow the said Government Securities to be held for safe custody by an Official Trustee appointed by the said Government alone

Investment of Reserve Fund.

97. The Reserve Fund of the Association together with interest accruable thereon shall be utilized in purchasing or constructing buildings for the Head Office, Chief Agency Offices and Charitable Institutions of the Association and the surplus Reserve Fund, if any, shall be invested in such securities as are determined by the Board from time to time.

## XV. INDEMNITY AND RESPONSIBILITY.

Directors' and others' rights indemnified.

98. Every Director and other Officer or servant of the Association shall be indemnified by the Association against, and it shall be the duty of the Directors, out of the funds of the Association to pay all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or deed done by him as such officer or servant, or in any way in the discharge of his duties, including travelling expenses and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Association and have the priority as between the members over all other claims.

Not responsible for acts of others.

99. No Director or other officer or servant of the Association shall be liable for the acts, proceeds, neglects or defaults of any other Director or officer or servant or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Association through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Association or for the insufficiency or deficiency in any security to or upon which any of the monies of the Association shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by an error of judgment oroversight on his part, or any other loss, or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

## XVI. SECRECY CLAUSE.

Secrecy Clause.

100. Every Director, Auditor, Secretary, Officer, servant, agent, [illegible] or other person employed in the business of the Association shall,

before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Association with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Directors or by any meeting, or by a Court of law, or by the person to whom such matters relate, and except so far as may be necessary in order to comply with any of the provisions contained in These Presents.

(Draft agreement referred to in clause No. 3 (n) of the Memorandum and Articles Nos. 34, 35 & 66 (b) of the Articles of Association)

This Agreement made and entered into this day of 1926 between the All India Co-operative and Charitable Association Ltd., an Association registered under the Mysore Companies Regulation No. VIII of 1917 and having its Registered Office situate in Mysore (hereinafter called 'the said Association') of the one part and Mysore Lingannah Nagannah residing in Old Agrahar, Krishnaraj Mohallah, Mysore (hereinafter called 'the said Mr. M. L. Nagannah') of the other part, WITNESSETH THAT

Whereas it is provided in the Memorandum and Articles of Association of the said Association that the said Mr. M. L. Nagannah shall be the Chief Organizer of the Association and the Directors of the said Association are authorized by the said Articles of Association to execute or cause to be executed on behalf of the Association, this present agreement and whereas the said Association was registered on the day of 1926, it is hereby mutually agreed by and between the parties hereto and their successors and assigns in manner following, that is to say:—

1. The said Mr. M. L. Nagannah, his successors and assigns shall be the Chief Organizers of the said Association for a period of 25 years from the date of the registration of the said Association and thereafter until they of their own free will resign; and it is expressly agreed and declared by and between the parties that the appointment of the said Mr. M. L. Nagannah as such Chief Organizer shall not, during the continuance of this agreement, be revoked or cancelled on any ground or for any reason whatsoever save and except upon his being found guilty of fraud upon the said Association by a competent Court of Law.

2. The remuneration of the said Mr. M. L. Nagannah, as such Chief Organizer shall be as follows:—

   (a) From and after the commencement of the business of the said Association, an allowance of Rs. 100 per mensem and from and after the date when the capital of the said Association will be fully subscribed, an allowance of Rs. 200 per mensem or such other larger sum as may, from time to time, be fixed by the Directors as Office allowance.

   (b) A commission of 1 per cent on the nominal value of shares and Personal Investment Bonds allotted by the Association on receipt of the application moneys.

   (c) A commission of 2½ per cent. on the interest realized by the Association on its invested Funds and from its bond-holders.

   (d) A commission of 2½ per cent. on the amount of instalments re-paid to the Association by the drawn bondholders on account of the loans granted to them.

3. If the said Association shall, at any time hereafter, carry on any business other than the Personal Investment business, the said Mr. M. L. Nagannah shall be paid such further remuneration as the Directors may deem fit.

4. The said Mr. M. L. Nagnnah shall be at liberty to canvass any business of the Association in any part of the world and not only he, on the business done by his own exertion, shall get full commission and bonus payable to the Chief Agents of the Associa-

tion on such business, apart from that mentioned in clause 2 (b) of this agreement but also none else shall have any right to claim any over-riding commission on the business done by him.

The head-quarters of the said Mr. M. L. Nagannah shall be in the city of Mysore and if he goes outside the Mysore city on account of the business of the Association i. e. either for organizing new Agencies and Branches or for inspecting the old ones, he shall be entitled to single second class railway fare for himself and single third class railway fare for his servant together with a bata of Rs. 5 per day for the number of days he stays outside on account of the business aforesaid.

Subject to the control and supervision of the Directors, the said Mr. M. L. Nagannah shall have the general conduct and management of business and affairs of the Association and shall exercise all the powers vested and to be vested in him either by the Association or by the Directors. He shall have power and authority on behalf of the Association subject to such control and supervision of the Directors, to enter into all contracts and to do all other things, usual, necessary or desirable in the management of the affairs of the Association or in carrying out its objects, and he shall have power to appoint and employ in or for the purposes of the transaction and management of the affairs and business of the Association or otherwise for the purpose thereof, Secretary or Secretaries, Manager or Managers, Officers, clerks and other employees with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise as he shall think fit, and to remove or suspend such Secretaries, Managers, Officers, clerks and other employees as he shall deem necessary.

The said Mr. M. L. Nagannah shall continue as a Director and also one of the members of the Committee of Directors of the Association as long as he continues to be the Chief Organizer of the Association and he shall not be subject to any rotation.

8. In the event of the said Association being wound up at any time for the purpose and with the object of transferring its business to another company, the said Association shall make it one of the terms and stipulations of their agreement for the transfer of their property and business to such other company as aforesaid that such other company shall appoint the said Mr. M. L. Nagannah to be the Chief Organizer of such new company and with like powers and authorities to the said Mr. M. L. Nagannah and on the same terms and conditions as to remuneration, emoluments and otherwise as are herein contained; it is hereby expressly agreed and declared that save and except with such commission and stipulation as one of the sale and transfer thereof, the said Association shall not sell and transfer their business to any other company.

In witness whereof, the common seal of the All India Co-operative and Charitable Association Ltd. and the hand of the said Mr. M. L. Nagannah hereunto affixed the day, month and year above-written.

The common seal of the All India Co-operative and Charitable Association Ltd. has been hereunto affixed and Mr..... has subscribed his signature to this agreement for and on behalf of the said Association pursuant to the resolution of the Board of Directors passed at a meeting of the Board held on.....1926.

In the presence of:—

MYSORE PRESS, MYSORE.

॥ AUM ॥

No. 433.

(True Copy)

# CERTIFICATE OF INCORPORATION.

I hereby Certify that the All-India Mutual Aid and Poor Houses Association Limited, is this day incorporated under the Mysore Companies Regulation, VIII of 1917, and that the Company is Limited.

Fee Paid Rupees One Hundred and Thirty-nine only.

Give under my hand at Bangalore this Eighth day of July One Thousand Nine Hundred and Twenty-six.

B. RAMASWAMIYA,
Registrar of Joint Stock Companies
in Mysore.

Seal of the Registrar
of Companies,
Mysore.

A copy of this Prospectus has been filed with the Registrar of Joint-Stock Companies in Mysore, Bangalore.

# ALL-INDIA MUTUAL AID & POOR HOUSES ASSOCIATION, LTD., MYSORE.

## SHARE & DEBENTURE PROSPECTUS.

**AUTHORIZED CAPITAL** — **RS. 1,00,000.**

Divided into 2,000 shares of Rs. 50 each and issued at a premium of Rs. 2-8-0 per share. The share and premium amounts are payable as follows:—

Rs. 5-0-0 Rs. (2-8-0 premium and Rs. 2-8-0 share amount) ... on Application.
,, 2-8-0 ... ... ... on Allotment.
,, 45-0-0 by 9 quarterly instalments of Rs. 5 each from the date of allotment.

,, 52-8-0 Total.

**EACH SERIES CONTAINS** — **1,00,000 BONDS.**

The amount of each bond is Rs. 50 and Rs. 2-8-0 extra is payable for each bond towards admission and stamp fees. The bond amount and admission etc., fees are payable either in a lumpsum with the application or by instalments as follows :—

Rs. 2-8-0 (Rs. 2/- towards admission fee and As. 8/- towards stamp fee) ... with application.
,, 50-0-0 by 50 monthly instalments of Re 1/- each together with the interest of As. 4/- per bond per month until the payment of bond amount is completed.

,, 52-8-0 Total

**DIRECTORS :**

1. Dr. A. J. Ram, L. M. & S., M. D. (E.H.), Physician and Surgeon, *Sayyaji Rao Road, Mysore.*
2. Mr. T. S. Narasimhaswamy, Electrician and General Contractor, *Kotwal Ramaiya's Street, Mysore.*
3. ,, P. Subbaraya Sastry, M.A., Principal, Champion Metropolitan College, *Yelwal Road, Mysore*
4. ,, M. L. Nagannah, Founder and Retired Managing Director, Asiatic Govt. Security Life Assurance Co., Ltd., *Old Agrahar, Mysore.*

**BANKERS :**

The Indian Bank Ltd., Madras.

---

**CHIEF ORGANIZER :**

Mr. M. L. Nagannah.

**SECRETARY :**

Mr. K. R. Nagappa, *Bhakti Vilas, Mysore.*

**AUDITOR :**

Mr. G. V. Iswaraiah, G.D.A.,
*Certified by the Government of Mysore.*

**REGISTERED OFFICE :**

Building No. 368, Bazaar Street,
*Old Agraharam, Krishnaraja Mohalla, Mysore.*

# OBJECTS OF THE ASSOCIATION.

## INTRODUCTION.

It is a matter of common experience that, although everyone makes all possible efforts to secure happiness, only those who have worshipped God in their previous births are blessed with it. As, for instance, though there are many who have obtained Degrees in Law, Medicine or other subjects with equal rank, it is only a few that are happy in acquiring wealth either by holding high appointments or by becoming leading Practitioners, while others find it difficult even to eke out their livelihood. It is thus clear that even though our efforts in this birth are equal and earnest, yet the result in each case is different according to the nature of worship of God in our past births. Nay, it is the experience of many of us that anyone destined to suffer great misery in this birth as the result of sins committed by him in his past ones can have such suffering lessened in proportion to his sincerity in the worship of God now and can finally attain happiness by the grace of God. So, it is beyond doubt that those who worship God and win His Grace attain happiness unmixed with misery both in this world and in the other. The worship of God is of two sorts. One is to regard some image as God and pay it all kinds of divine honours. This form of worship is known as IMAGE WORSHIP or worship of God in His STABLE FORM. The other is to please Him by alleviating the distress of the poor and the helpless by giving them food and medicine. This is said to be the worship of God in His MOVING FORM. As the latter is more pleasing to God than the former, those who follow this form gain the full grace of God much sooner and much more easily than by mere image worship.

Hence, those who have realized that this world (comprising both animate and inanimate objects) is the manifestation of God and devote themselves to the alleviation of the miseries of such poor and helpless persons as are afflicted by hunger or disease, become the real worshippers of God and thereby derive happiness both in this and in the other worlds by the grace of God. Though many know this fact, yet the poor for want of money and the rich on account of their desire to amass wealth do not generally perform this superior form of worship. Even those well-to-do people who are eager to gain the favour of God may carry out this kind of worship only during their life-time but not after, as it is not easy for them to arrange for this form of worship for ever, that is, even after they leave this world. Since the duration of happiness that those people can enjoy in the world to come is in proportion to the nature of their worship in this world, they have to be born again soon after their time of enjoyment there is over. Therefore, those who arrange for this superior form of worship here perpetually will enjoy continued happiness in the other world, and will not have to come back to this world as the fruits of the worship here will be going to benefit them even when they are in the other world. Consequently, their stay in the other world will be extended. So, those that arrange for the worship, however trivial it may be, to continue for ever will attain heaven and, after enjoying all possible happiness there for a long time, finally attain the highest stage. As, for instance, a mango seed, though small in form, grows into a big tree and yields a good number of fruits for a long time, so also the charitable deeds that we do in this world, however trifling they may be, bring about the greatest happiness for a long duration in the next world.

Keeping the abovementioned facts in view, the "All-India Mutual Aid and Poor Houses Association, Limited" has devised a new scheme (as detailed below) and aims, on the one hand, at enabling even the poorest to perform the abovesaid superior form of worship of God both during and after their life-time—nay as long as the world will be in existence—by paying a paltry sum and thereby win the full grace of God and, on the other hand, at alleviating the distress of the suffering humanity by starting charitable institutions (comprising Poor Houses and Hospitals for feeding the disabled and nursing the suffering who are poor and helpless) in every principal town throughout India, Burmah and Ceylon, as mentioned in the Memorandum of Association, a copy of which is hereto attached.

### Explanation of the Scheme.

Anyone who wishes to have the benefit of the abovesaid scheme can get a bond from the Association without any restriction of caste, creed, religion, sex or age on payment of Rs. 50 either in a lump sum or by 50 monthly instalments of Re. 1 each. The crores of Rupees that will be collected from lakhs of bondholders who may join the Association from all parts of India, Burmah and Ceylon will be entirely and permanently invested in the Governments of Mysore and India and half of the interest which will be got on this investment will be utilized for maintaining the Charitable Institutions to be started by the Association as abovementioned in every principal town in the abovesaid countries. If there should be any surplus out of the abovesaid interest after meeting the expenses of the Charitable Institutions of the Association, such amount will be utilized for aiding Educational, Medical, Religious and such other Charitable Institutions started for the good of the public in those

A copy of this Prospectus has been filed with the Registrar of Joint-Stock Companies in Mysore, Bangalore.

# ALL-INDIA MUTUAL AID & POOR HOUSES ASSOCIATION, LTD., MYSORE.

## SHARE & DEBENTURE PROSPECTUS.

**AUTHORIZED CAPITAL** RS. 1,00,000.

Divided into 2,000 shares of Rs. 50 each and issued at a premium of Rs. 2-8-0 per share. The share and premium amounts are payable as follows:—

Rs. 5-0-0 Rs. (2-8-0 premium and Rs. 2-8-0 share amount) ... on Application.
,, 2-8-0 ... ... ... on Allotment.
,, 45-0-0 by 9 quarterly instalments of Rs. 5 each from the date of allotment.

,, 52-8-0 Total.

**EACH SERIES CONTAINS** 1,00,000 BONDS.

The amount of each bond is Rs. 50 and Rs. 2-8-0 extra is payable for each bond towards admission and stamp fees. The bond amount and admission etc., fees are payable either in a lumpsum with the application or by instalments as follows :—

Rs. 2-8-0 (Rs. 2/- towards admission fee and As. 8/- towards stamp fee) ... with application.
,, 50-0-0 by 50 monthly instalments of Re 1/- each together with the interest of As. 4/- per bond per month until the payment of bond amount is completed.

,, 52-8-0 Total

**DIRECTORS :**

1. Dr. A. J. Ram, L. M. & S., M. D. (E.H.), Physician and Surgeon, *Sayyaji Rao Road, Mysore.*
2. Mr. T. S. Narasimhaswamy, Electrician and General Contractor, *Kotwal Ramaiya's Street, Mysore.*
3. ,, P. Subbaraya Sastry, M.A., Principal, Champion Metropolitan College, *Yelwal Road, Mysore*
4. ,, M. L. Nagannah, Founder and Retired Managing Director, Asiatic Govt. Security Life Assurance Co., Ltd., *Old Agrahar, Mysore.*

**BANKERS :**

The Indian Bank Ltd., Madras.

---

**CHIEF ORGANIZER :**

Mr. M. L. Nagannah.

**SECRETARY :**

Mr. K. R. Nagappa, *Bhakti Vilas, Mysore.*

**AUDITOR :**

Mr. G. V. Iswaraiah, G.D.A.,
*Certified by the Government of Mysore.*

**REGISTERED OFFICE :**

Building No. 368, Bazaar Street,
*Old Agraharam, Krishnaraja Mohalla, Mysore.*

If any of the bondholders does not pay his monthly instalment and interest within the month for which the same fall due, his bond will lapse and the amounts paid thereon till then will be forfeited to the Association in case he does not get the bond revived within 3 months from the date of default, on payment of all arrears with a penalty of one anna per rupee per month.

If the name of any partly paid-up bondholder is drawn, the balance amount due on his bond will be deducted out of the loan amount to be paid to him. The principal amount of bond will not be refunded until the bond is drawn but the same will be allowed to be adjusted out of the last instalments payable by the holder of the said bond on account of the loan advanced to him.

The Association has made a provision in its Articles for the issue of separate series of bonds of any denomination to any community so that 50% of the interest accruable on the amount of bonds to be collected from the respective community people may be utilized for maintaining Charitable Institutions to be started for the Moral, Spiritual and Educational uplift of the said community people. For the present, one series of bonds will be issued by the Association exclusively to the Veerashiva community people for aiding the Educational Institutions and Students' Homes to be started by His Holiness Sri Jagadguru Sivananda Rajendra Sivacharya Mahaswami of Rambhapuri. The question of issuing separate series to other communities will be considered on application.

Out of the remaining half of the interest, two-thirds will be utilized in granting loans from Rs. 1,000 to Rs. 5,000 (repayable in one hundred monthly instalments of Rs. 10 each per every Rs. 1,000) to one hundred persons out of one lakh bondholders every year (as determined in the drawings) on their personal security without any interest. The balance one-third *plus* the amount of instalments to be recovered from the bondholders to whom the loans will be granted *plus* admission, etc., fees to be recovered from the new bondholders, *less* all the working expenses of the Association will be the net profit. Out of this net profit a portion will be set apart for payment of dividends to the shareholders and the balance will form the Reserve Fund. The Reserve Fund that will thus accumulate every year in this way will be utilized in constructing buildings for the Head Office, Chief Agencies or Branch Offices and Charitable Institutions of the Association.

## Example.

**Appropriation of interest accrued on bond amounts for maintaining Charitable Institutions and granting loans to bondholders.**

As the number of bonds to be issued by the Association is unlimited, they will be issued in several series, each series consisting of one lakh bonds. Supposing there will be one lakh bondholders in any calendar year qualified for drawing in any particular series, these one lakh bondholders will have paid to the Association Rs. 50,00,000 at Rs. 50 each. As this amount will be entirely invested in the Government, the Association gets three lakhs of rupees interest at least from the Government at 6 per cent per annum on the same. Out of this three lakhs of rupees, half the amount, *i.e.*, one lakh and a half, will be utilized for maintaining Charitable Institutions of the Association. As the names of one hundred persons per every lakh bondholders are to be drawn in the drawings every year, one hundred names will be drawn in the abovesaid calendar year. Out of those whose names are drawn like this, the first-drawn bondholder gets **Rs. 5,000,** the second-drawn bondholder gets Rs. **2,000** and the remaining 98 drawn bondholders get Rs. 98,000 at **Rs. 1,000** each, amounting in all to Rs. 1,05,000 **as loans without any interest, on their personal security.**

**Net profit of the Association.**

Rs. 45,000 being the surplus amount of interest of three lakhs of rupees after transferring Rs. 2,55,000 (1,50,000 and 1,05,000) for maintaining Charitable Institutions and granting loans as abovesaid, *plus* the amount of instalments (at Rs. 10 per month per thousand) to be recovered from the drawn bondholders in the abovesaid calendar year on account of the loans granted to them every year, *plus* the amount of admission, etc., fees recoverable from the new bondholders that join the Association in the abovesaid year, *less* all the working expenses of the Association in the said year, will be the net profit of the Association for that year.

**Increase of net profit year by year.**

As determined in the drawings, a sum of Rs. 1,05,000 will be granted as loans to one hundred persons out of one lakh bondholders every year. During the year subsequent to that for which the first drawing is held, the Association will have collected Rs. 12,600 on account of the said loans. As another sum of Rs. 1,05,000 will be granted as per second drawing, the amount of instalments to be recovered during the next year will be Rs. 25,200. In the same way, as the drawings are held every year, the amount of instalments to be recovered from the bondholders will increase every year by Rs. 12,600, so much so that the amount of instalments to be recovered from them in the 8th year and onwards would be Rs. 1,00,000 and odd as the total amount of loans granted up to then would be Rs. 8,40,000. As the instalments to be recovered thus will be the income of the Association, the profits of the Association will necessarily increase proportionate to the increase in the collection of the amounts of instalments. When the amount of instalments to be recovered per each series would be Rs. 1,00,000 and odd, the total collection of instalments would be as many lakhs as there will be series. So, the net profit of the Association will accumulate to lakhs of rupees every year as there will be many lakhs of bondholders as the years pass on.

**Dividends to shareholders and accumulation of Reserve Fund.**

Out of lakhs of rupees net profit to be made by the Association every year as abovestated, a portion will be set apart for payment of dividends to the shareholders and the balance will be utilized for payment of profits to the Bondholde and Directorsas also for creating the Reserve Fund of the Associatio

N.B.—Only for the facility of calculation, the number of one lakh bondholders has been given in the abovesaid example and so, as mentioned hereinafter, it is not necessary that one lakh bondholders should be secured either for holding the drawings or for starting Charitable Institutions. For, as soon as there will be 1,000 bondholders, the drawings will begin to be held and as soon as there will be 2,000 bondholders, the Charitable Institutions will begin to be started by the Association.

## Other Special Features.

**Qualification of bondholders for drawings.**

Those bondholders who will have completed the payment of their full bond amounts before the beginning of a calendar year, and also those that will not have fully paid up their bond amounts but will have paid all their monthly instalments without anything in arrears during that calendar year together with interest at As. 4 per bond per month will be qualified to have their names included in the drawing of the said calendar year.

**Holding of separate drawings in**

If the number of bondholders qualified for the drawing will be not less than 1,000 in any province, district, taluk or principal town, a separate drawing will be allowed to be held in that province, district, taluk or principal town as the case may be and the number of loans to be granted will be proportionate to the number of bondholders in

**Starting of Charitable Institutions at Mysore and other places.**

As soon as there will be 2,000 fully paid-up bondholders in the Association, a Charitable Institution (comprising a Poor House and a Hospital) will be started at Mysore and similar institutions will be started in every province, district, taluk and principal town as soon as there will be 2,000 fully paid-up bondholders.

IN PLACES WHERE IT WILL BE FOUND CONVENIENT TO FEED THE DISABLED AND OLD CATT AND OTHER DOMESTIC ANIMALS, A CATTLE SHED OR PINJARAPOLE WILL BE ATTACHED TO T POOR HOUSES TO BE STARTED IN THE SAID PLACES.

**Non-inclusion of drawn bonds in the subsequent drawings and derivation of benefits of each bond separately.**

As the names of the bondholders drawn in a drawing will not be included in the subsequent ones, all the bondholders or their heirs are sure to get loans one year or another according to their turn. Any person may take up any number of bonds and those that take up more bonds than one will be entitled to the benefits of each bond separately. That is, if a person takes up ten bonds in his name and if he gets a loan in respect of one of the bonds having been drawn in any year, only the said bond which is drawn will not be included in the subsequent drawings but the same bondholder will be getting loans again and again in respect of each of the remaining nine bonds in each of the years in which they will be drawn. Nay, if by chance all his ten bonds are drawn in any one year, he will get loans simultaneously in respect of all the bonds.

**The Association not incurring loss even if any loans are found to be irrecoverable.**

In case any of the persons that are granted loans happen to be poor and the loan amount is found irrecoverable from them in spite of the Association taking necessary legal steps, it will be no loss to the Association as the loan amounts will not be paid out of the principal amount but will be paid only out of a portion of interest to be got by the Association. Moreover, as the bondholders comprise of both the rich and the poor, the chances go to them both. If the chances go to the rich, there will be certainty of the return of the loan amounts and, if the chances go to the poor and any of the loans granted to them is found to be irrecoverable, the Association would be benefiting the poor.

## Important Privileges and Benefits to the Bondholders of the Association.

**Bond amount smallest and the payment easiest.**

The amount of Rs. 50 payable for each bond by the bondholders is so small and the payment is so easy that it will not be felt by either the poor or the rich as it may be paid by **50 monthly instalments** of Re. 1 each.

**Absolute security.**

As provided in the Memorandum and Articles of Association, the principal bond amount to be collected from the bondholders will be **entirely and permanently invested in the Government or in the Government securities** and the said securities will be held for safe custody by an **Official Trustee appointed by either the Government of Mysore or that of India.**

Regarding the appointment of a Bond-holders' Representative and an Auditor by the Government, please *vide* 49 and 71 Articles of Association annexed hereto.

**Perpetuity of the Charitable Institutions and the bondholders partaking the benefit of the charities done by the Association.**

As half of the interest that accrues on the principal bond amounts of the bondholders will be exclusively utilized in relieving the distrees of the poor and helpless and there is no better form of worship of God than this, **all the bondholders of the Association being the authors of this worship will win the full grace of God and enjoy eternal happiness in the other world as they will have arranged for this superior form of worship of God for ever and ever.** Since the Governments will last as long as the world will be in existence, the funds of the Association will be safe and will be securing interest regularly. Thus, the Association is bound to run the Charitable Institutions without any obstruction whatever **as long as the world exists.**

**Bondholders getting loans on personal security without interest.**

As explained hereinbefore, **the bondholders or their heirs are sure to get loans one year or another on their personal security alone without any interest from Rs. 1,000 to Rs. 5,000.** As the amount of instalments they pay every month on the loan amounts that they receive will be equal to 12 per cent interest per annum on the said loan amounts, **the bondholders will have the loan amounts for themselves after 100 months as they will have paid mere interest for that period at the abovesaid rate.**

**Bondholders not required to repay the loan amounts in case they utilize it for constructing buildings for Charitable Institutions.**

If any of the drawn bondholders do not want loans but are willing to utilize the said loan amounts for constructing the buildings of the Charitable Institutions of the Association, not only will they not be required to repay anything to the Association on account of the said loan amounts, but they will also be entitled to the benefit of the charity done with the said loan amounts.

The non-drawn bondholders will be entitled to 50% of the ne profits of the Association and the said profit will be distributed onc in every five years.

## Special Privileges and Benefits to the Shareholders of the Association.

**Object of the Capital of the Association.**

As the main object of the Association is to start Charitable Institutions and the said Institutions will be maintained only with the interest on the bondholders' amount without any necessity for the utilization of any other amount, this Association has been started with an authorized Capital of one lakh divided into 2,000 shares of Rs. 50 each in order to satisfy the requirements of the Law.

**Directors' previous permission necessary for applications for more than 10 shares.**

As it is the object of the Directors to make the extraordinary benefits of the shares of the Association available for as many persons as possible, **no applications will be received for more than 10 shares from an individual person.** In case there will be any who wish to apply for more than 10 shares, they should obtain previous permission from the Directors before making any application.

# ARTICLES OF ASSOCIATION

RELATING TO THE

## Appointment of a Bond-holders' representative & an auditor by the Govt.

49. As soon as there will be 2,000 fully paid-up bondholders, the Directors shall apply either to the Government of Mysore or that of India for the appointment of a Bondholders' Representative on the Board of Directors to watch the interests of the bondholders. The said appointment may be made by the Government once in every year or otherwise as they shall think fit. The Bondholders' Representative shall be entitled to the same privileges and remuneration as any other Director of the Association.

71. As soon as the Association secures 2,000 fully paid-up bondholders, the Directors shall apply to the Government of Mysore for the appointment of an auditor on behalf of the bondholders for auditing the accounts of the Association in addition to their being audited by the Auditor appointed by the Shareholders. If the Government appoints such an auditor, such remuneration as the Government direct, shall be paid to him by the Association.

**Easy payment of the share amount.**

As the shares of the Association are sold at a premium of Rs. 2-8-0 per share, the intending shareholders shall pay Rs. 2-8-0 being the said premium amount as also Rs. 2-8-0 towards part payment of the share amount, *i.e.*, **Rs. 5 per share with the application.** After the shares are allotted, the shareholders shall pay immediately Rs. 2-8-0 per share and **the balance Rs. 45 per share by nine quarterly instalments of Rs. 5 each** from the date of allotment.

**Investment of shareholders' money and allotment of bonds to shareholders.**

As the paid-up capital of the Association is not required for any other purpose as mentioned above, the whole paid-up capital will be utilized in purchasing bonds of the Association itself and the bonds thus purchased will be allotted to the shareholders at one bond per every share held by them on payment of Rs. 2-8-0 per bond towards admission fee and cost of bond and so **the whole paid-up capital will become bond amount and the same will, therefore, be entirely and permanently invested safely in the Government** just like the amounts of bondholders.

**Shareholders entitled to the profits of the Association as well as to the benefits of the bonds.**

As the shareholders get bonds, they will be entitled to all the privileges and benefits the bondholders are entitled to as mentioned hereinbefore. In addition to this, the shareholders will not only be entitled to the dividends to be declared out of the profits which the Association earns every year but they may also, in course of a few years, expect **cent per cent dividends on their share amounts** as the Association is sure to make **lakhs of rupees profit** as explained hereinbefore as against a paid-up capital of only one lakh of rupees.

**Necessity for immediate application for shares.**

**Until 2,000 shares of the Association are disposed of, the applicants can become the holders of both a share and a bond for each Rs. 50 they pay and thereby they will be entitled to double benefits.** After 2,000 shares are disposed of, applications for bonds alone will be received and, therefore, the applicants will be entitled only to the benefits of a bond for every Rs. 50 they pay. So, it is necessary that those who wish to avail themselves of the abovesaid **extraordinary double benefits should send their applications** for the required number of shares **immediately** in the appended form together with a remittance of Rs. 5 per share **to avoid disappointment.**

## Directors' Qualification and their Remuneration.

Each Director of the Association shall hold 20 shares of the Association in his individual name. In case any of the Directors, not being residents of Mysore, attends the meetings of the Board or the Committee, he will be entitled to actual travelling expenses. Until the business of the Association is commenced, no Director will be entitled to any sitting fee for any meeting of the Board or the Committee attended by him. After the business is commenced and until the capital of the Association is fully subscribed, a sitting fee of Rs. 6-4-0 and Rs. 12-8-0 will be paid to each Director for every meeting of the Committee or Board attended by him respectively. After the capital of the Association

॥ ॐ ॥

## FORM OF APPLICATION FOR SHARES.

*No*.....  *Influenced by*.....

*Allotment No.*.....
*Date of Allotment*.....
*No. of Shares Allotted*.....
*Share Nos*..... *to* .....

To

**The Directors,**

**All-India Mutual Aid & Poor Houses Association, Ltd.,**

**MYSORE.**

*Gentlemen,*

Having paid the sum of Rs.....being the deposit of Rs. 5 (Rs. 2—8—0 towards premium and Rs. 2—8—0 towards share amount) per share on.....shares of Rs. 50 each in the above Association, I request that you will allot to me that number of shares. I hereby agree to accept the same or any less number that you may allot to me, upon the terms of the Prospectus dated 10th August 1926 and the Memorandum and Articles of Association, and I authorize you to place my name on the Register of Members in respect of the shares allotted to me. Further, I also agree to pay Rs. 2—8—0 per share on allotment and Rs. 45—0—0 per share by 9 quarterly instalments of Rs. 5 each from the date of allotment.

*Station*.....

*The*.....*192*

**Usual Signature.**

.....

**Please write distinctly.**

*Name in full*.....
*Age*.....
*Profession or Business*.....
*Address (in full)*.....
*Post Office*.....
*District or Province*.....

is fully subscribed, a sitting fee of Rs. 12-8-0 and Rs. 25 will be paid to each Director for every meeting of the Committee or Board attended by him respectively. Apart from this, all the Directors along with the Bondholders' Representative will be entitled to 10 per cent of the net profit of the Association every year and the said amount will be distributed among all of them equally. Except this, the Directors have no other interest in the Association nor is any promotion or other fee payable either to the Directors or anybody else.

## Minimum Subscription.

The minimum number of shares for which the Association should receive applications before the first allotment is made and the business of the Association is commenced, is 200 shares to the nominal value of Rs. 10,000.

## Commission on Shares.

A commission not exceeding 5 per cent on the nominal value of shares actually allotted will be paid by the Association. As the shares are sold at a premium of Rs. 2-8-0 per share, the commission payable to the agents will be met out of the said premium amounts alone and so, nothing will be paid out of the paid-up share amounts towards commission.

## Preliminary Expenses.

The preliminary expenses to be incurred by the Association are estimated to be Rs. 2,500. But as the Association gets Rs. 2-8-0 per share from the shareholders on account of bonds to be allotted to them, towards admission fee and cost of bond as mentioned hereinbefore and the said collection will amount to Rs. 5,000 (2,000 shares at Rs. 2-8-0 each) the preliminary expenses will be written off eventually out of the said amount.

## Agreement.

9 AUG 1926

An Agreement is entered into between the Association of the one part and Mr. M. L. Nagannah of the other part by which the said Mr. M. L. Nagannah will be the Chief Organizer of the Association for 25 years and thereafter on the terms and conditions mentioned in the draft Agreement annexed to the Articles of Association. The said ~~draft~~ Agreement as also the Articles of Association can be inspected by anybody at the Registered Office of the Association during office hours or a copy thereof can be obtained on payment of As. 8 only.

For further particulars, prospectuses and application forms, communications may be addressed to the Secretary of the Association at the Registered Office.

A. J. RAM,
M. L. NAGANNAH,
P. SUBBARAYA SHASTRY,
T. S. NARASIMHASWAMY,

*Dated* 12 JAN 1927

2148-26 The Bangalore Press.

CEN. B
DEVELO IT BRANCH,

OM

# MEMORANDUM OF ASSOCIATION

OF

# All-India Mutual Aid & Poor Houses Association Ltd.

---

1 The name of the Association is the "All-India Mutual Aid and Poor Houses Association Limited".

2. The Registered Office of the Association will be situated in the State of Mysore.

3. The objects for which the Association is established are:—

(a) To establish Charitable Institutions in every principal town in India and also in any other part of the world for feeding the disabled and nourishing the suffering poor without any restriction of caste, creed or sex, and also for aiding Educational, Medical, Religious and other Institutions started for the good of the society.

(b) To carry on in India and in any other part of the world the business of raising funds by issuing at par or at a premium, bonds, debentures and debenture stock, perpetual or otherwise, with or without special privileges and also with or without a specific charge on all or any part of the property of the Association.

(c) To invest, perpetually or otherwise, the principal amount of bonds, debentures, and debentnre stock, in the Government, Indian or Foreign, or in securities guaranteed by the said Government.

(d) To deposit, perpetually or otherwise, the Government securities held by the Association for safe custody with an Official Trustee or Trustees if any appointed by the Government or Governments, Indian or Foreign.

(e) To maintain and aid the abovesaid Charitable and other institutions with a portion of interest accrued on the funds invested as above in the Government or in the Government Securities.

(f) To grant loans, with or without interest or security to the holders of bonds, debentures or debenture stock, as determined by periodical drawings out of a portion of interest accrued on the abovesaid funds, and allow the repayment of the said loans by easy instalments.

(g) To utilize a portion of interest accrued on the abovesaid funds together with the amount of instalments repayable to the Association on account of loans granted to the bond and debenture holders and also admission, stamp and other fees payable by the holders of bonds, debenture and debenture stock, for meeting the working expenses of the Association, making provision for Reserve Fund and paying dividends to the Shareholders.

(h) To invest the paid-up capital and Reserve Fund in such securities as are determined from time to time by the Association in its General Meeting.

(i) To purchase, take or lease in exchange, or hire or otherwise acquire any estate, interest in any lands or buildings, leasements, rights, privileges, concessions and immoveable property of any tenure or kind

necessary or convenient for the business of the Association in part of the world.

(j) To erect, construct, lay down, enlarge, alter and maintain buildi works and Machinery, necessary or convenient for the business of Association in any part of the world

(k) To purchase or otherwise acquire the business and property of person, firm or company carrying on any business which the Asso tion is authorized to carry on and take over the property and liabil of such person, firm or company on such terms as the Association n think fit

(l) To enter into partnership and into an arrangement for sharing prof union of interest, co-operation and joint adventure, reciprocal con ssion or otherwise, with any person, firm or company carrying on about to engage in, any business or transaction calculated to bene this Association and to guarantee the contracts of or otherwise ass such person, firm or company.

(m) To establish Provincial and Local Boards, Branches and Agenc in any part of the world and to discontinue the same.

(n) To enter into and carry into effect an agreement with regard management which has already been prepared and is expressed to made between Mr. M. L. Nagannah of the one part and the Associ tion of the other part, and copy whereof is annexed hereto.

(o) To enter into agreements with the officers, agents and other emplc ees of the Association on the terms and conditions as are determin by the Directors from time to time.

(p) To receive donations from the public at large and utilise for Charitable purposes.

(q) To act as Trustees for any Charitable Institution or Fund and do everything incidental and conducive to the promotion of the objects of the donors concerning the said Charitable Institution or Fund as the case may be.

(r) To do all such other things as are incidental or conducive to the attainment of all or any of the above objects.

4. The liability of the Shareholders is limited.

5. The capital of the Association is Rs 1,00,000 divided into 2000 shares of Rs. 50 each, with power to increase.

| Serial No. | Names, Descriptions and addresses of ~~Shareholders~~ Subscribers | No. of shares taken. |
|---|---|---|
| 1. | M. S. Basavaiingayya, B.A., B.L., Legal Practitioner, Old Agrahar, Mysore. | 20 |
| 2. | T. S. Narasimhaswamy, General Contractor and Electrician, 612, Kotwal Ramiah's Street, Mysore. | 20 |
| 3. | P. Subbaraya Sastry, M.A. etc., Principal, Champion Metropolitan College, Ilwal Road, Mysore. | 20 |
| 4. | Sirasi Garushantha Sastry, Palace Asthan Vidwan, Old Agrahar, Mysore. | 20 |
| 5. | A. J. Ram, L.M. & S., M.D. (E.H.) Physician & Surgeon, Sayyaji Rao Road, Mysore. | 20 |
| 6. | K. Nagappa, Managing Proprietor of Messrs K. Nanjundappa & Sons, Old Thurgpet, Bangalore City. | 20 |
| 7. | M. L Nagannah, Founder & Retd. Managing Director, Asiatic Government Security Life Assurance Co Ltd., Old Agrahar, Mysore. | 20 |

MYSORE PRESS, MYSORE.

M.L.Nagannah
T.S.Narasimhaswamy
A J Ram
P.Subbaraya Sast

ALL-INDIA MUTUAL AID AND POOR HOUSES ASSOCIATION LIMITED.
Registered Office: Mysore (S.India).

## A PREJUDICIAL NOTION.

With reference to the Press Communique issued by the Publicity Officer to the Government of Mysore, concerning the provisions made by the abovesaid Association in its Memorandum and Articles of Association etc., for safeguarding the interests of its constituents, it is most regrettable to observe that the Government are wrong in saying that the statements (regarding the perpetual investment of its funds in the Government, the appointment of an Official Trustee to hold its Securities in safe custody and the appointment of a Bondholders' Representative and an Auditor by the Government to watch the interests of its constituents) made in the abovesaid documents of the Association are unwarranted, for the reason that the Memorandum and Articles of Association as also the prospectus could not but contain all the necessary provisions which are to be given effect to after the commencement of the business of the Association as per Companies Regulation, nor are they (the Government) justified in deciding the matter and issuing the abovesaid Press Communique detrimental to the interest of the Association, without any application being made by the Association or its objections or explanations being taken for the reason that not only all the abovesaid provisions are worth welcoming by a Government who consider it to be their duty to safeguard the interests of their people as far as possible but also the Memorandum, Articles and the prospectus of the Association in which the said provisions are contained have been amended strictly in accordance with Law and the instructions of the Registrar of Joint Stock Companies in Mysore, Bangalore, after his perfect scrutiny.

As disclosed by the said Memorandum and Articles of Association as also by the prospectus, the main object of the Association is to start POOR HOUSES in all the principal towns throughout India, Burmah and Ceylon for feeding the disabled and nursing the suffering poor and the scheme devised by the Association for fulfilling its objects has been based on the soundest possible principles without there being absolutely no risk or speculation whatsoever. Notwithstanding this, it is a pity that not only the Government could not be proud of such an Institution as this in their State and render the same all possible help in consideration of the Association being the first of its kind either in India or elsewhere and bound to relieve the distress of the suffering humanity as a whole, but also they (the Government) could not realise that the provisions referred to above are not in any way to the advantage of the promoters of the Association but are made for ensuring the safety of the public at large and the perpetual running of the Institution. Moreover, the Government would have been justified in issuing their communique if the abovesaid provisions had been made in the documents above referred to only for giving false impression to the public but not to give them effect to practically.

Further, either in the Memorandum or in the Articles of Association upon which the prospectus of the Association is based, it is not stated that all our funds will be invested only in the Government of Mysore but it is clearly stated therein that the funds of the Association are to be invested in the Government of Mysore or in any Indian or Foreign Government. Moreover, as provided in Article 96 of the Articles of Association, the funds to be collected by the Association in a particular Province will have to be invested in that Provincial Government itself. As provided in Article 93, in ~~xxxxx~~ case any Provincial Government cannot accept our funds as permanent deposit, the funds will be invested in the Securities guaranteed by the said Government in preference and the said Government Securities will be held by an Official Trustee to be appointed by the said Government itself. In the places where the Government cannot accept our funds as permanent -

permanent deposit or appoint an Official Trustee, the funds of that Province will be invested in the Securities guaranteed by that ---- Government in preference and the said Securities will be kept with the Bankers of the Association in that Province for safe custody as Provided in Article 94 of the Articles of Association.

So, it is needless to impress upon the minds of the public that the Mysore Government is not the only Government upon which -- the Association entirely depends for the investment of its funds or for the appointment of an Official Trustee but there are many other Governments both Indian and Foreign for the said purpose and as such the disinclination of the Mysore Government to accept our funds as - permanent deposit or to appoint an Official Trustee, will not prevent the Association from investing its funds in the Securities guaranteed by the Government of Mysore as also by other Governments or having - the said Securities held by an Official Trustee appointed by any ---- Indian or Foreign Government. The public should therefore please -- note that the funds of the Association will be invariably invested in any other Government or Governments or in the Securities guaranteed - by the said Governments entirely and permanently and the Securities - to be held by the Association will be kept with the Bankers for safe custody until an Official Trustee or Trustees are appointed by any -- other Government or Governments for holding the said Securities in -- the safe custody.

Generally, in all Joint Stock Companies, the Directors and - Auditors will be elected only by the Shareholders but in this Association, in order to safeguard the interests of the Bondholders a provision has been made for the appointment of a Bondholders' Representative and an Auditor by either the Government of Mysore or that of --- India. In case the Government of Mysore is not inclined to appoint them, the Association will apply to the Government of India for the - said appointments soon after there will be 2,000 Bondholders as per - rules. If even the Government of India cannot find its way to make the said appointments, the Bondholders alone will be authorised to -- make the said appointments themselves.

In conclusion, the public are requested to specially note - that the promoters of the Association are men who believe in the ---- existance of GOD and also have practically realized that Honesty and Truth will always triumph over sooner or later and consequently the - abovesaid provisions have been made with an object of making the ---- Association everlasting one but not for defrauding anybody. It is - therefore hoped that in the light of the above explanation, the Government will be pleased to reconsider the matter and give this indigenous concern their moral support which it richly deserves in the interest of the suffering humanity at least.

For The All-India Mutual Aid & Poor Houses Association Ltd.

M Y S O R E,

M. L. Nagannah

*Chief Organizer.*

AUM.

Copy of letter No.870 dated 9th November 1926 from the Registrar of Joint Stock Companies in Mysore, Bangalore, addressed to the Chief Organizer, All-India Mutual Aid and Poor Houses Association Ltd., Mysore.

---

With reference to his letter dated 6th November 1926, the Chief Organizer of the All-India Mutual Aid and Poor --- Houses Association Ltd., is informed that the question of -- filing the prospectuses under reference is receiving attention and the receipt of intimation, from this Office, of such filing should be awaited.

For The All-India Mutual Aid & Poor Houses Association Ltd.

M. L. Nagamma

Chief Organizer.

19 FEB 1927

AUM.

Proceedings of the Meeting of the Managing Committee of Directors of the All-India Mutual Aid & Poor Houses Association Ltd., Mysore, held on 6th November 1926 at 3 P.M. in the Registered Office of the Association at Mysore.

---

x x x x

(2) Read the correspondence ending with the Chief Organizer's letter of date addressed to the Registrar of Joint Stock Companies in Mysore, Bangalore, regarding the filing of the prospectus of the Association.

Resolved unanimously that the Secretary of the Association do not wait for the intimation from the Registrar for his having filed the prospectus of the Association, but do issue the amended copies of the prospectus to the public from this day forwards owing to the fact that not only the said amended copies of the prospectus have been finally filed with the Registrar on the 1st of this month alone after being amended strictly in accordance with the Law and also the instructions of the Registrar, but also the Company Law requires every new Association or Company only to file the prospectus on or before the date of its publication but not to wait for any acknowledgment (of the receipt of the said prospectus) or intimation (for the said prospectus having been filed) from the Registrar for issuing the same to the public as provided in Section ~~xxxxx~~ 92 of the Mysore Companies Regulation VIII of 1917.

x x x x

"True copy"

For The All-India Mutual Aid & Poor Houses Association Ltd.

M. K. Nagannah

*Chief Organizer.*

19 FEB 1927

Copy of letter No.921 dated 3rd December 1926 from the Registrar of Joint Stock Companies in Mysore, Bangalore, addressed to the Chief Organizer, The All-India Mutual Aid & Poor Houses Association Ltd., Mysore.

With reference to his letter No.1759 dated 30th November 1926 forwarding with a Court Fee Stamp for Rs.6/- a Return of allotments made on 6th November 1926 and a Declaration ---- before commencing business, the Chief Organizer of the All-India Mutual Aid & Poor Houses Association Ltd., is referred to this Office Memo No.870 dated 9th November 1926, and he is informed - that no action can be taken by this Office in the matter of his present application until the question relating to the filing -- of the prospectus is decided by this Office.

For The All-India Mutual Aid & Poor Houses Association Ltd.

M. L. Nagamma

*Chief Organizer.*

19 FEB 1927

Copy of letter No.1805 dated 6/8th December 1926 from the Chief Organizer, All-India Mutual Aid & Poor Houses Association Ltd., Mysore, addressed to the Registrar of Joint Stock Companies in Mysore, Bangalore.

---

Your kind letter No.921 D/ 3rd inst.

In reply, we beg to inform you that the Directors of the Association believe that in all matters connected with the Registration, Formation and Promotion of Joint Stock Companies in Mysore, both the Registrar and the said Companies are to be guided by the Mysore Companies Regulation and the provisions thereof are to be strictly complied with as they are mandatory but not discretionary. So, as mentioned in our previous letter, you could not but file the ~~Prospectus~~ copies of our prospectus as also issue the Business Commencement Certificate in compliance with Sections 92 and 103 (2) of the Mysore Companies Regulation No.VIII of 1917 as we have complied with all the provisions mentioned in Sections 93 and 103 (1) of the said Regulation respectively. The Directors are therefore at a loss to understand how the filing of the prospectus could be deferred and the issue of the Business Commencement Certificate delayed on that ground in the absence of any provision in the Mysore Companies Regulation to show that the filing of the prospectus is at the discretion of the Registrar though it is strictly in accordance with Law.

So, the Directors consider that there is nothing more to be complied with by us according to Law and there can not be anything in the way for the issue of the Business Commencement Certificate. But, if you think that there is still something to be complied with according to Law, we will do the same immediately on hearing from you. In case you consider that there is anything which is morally objectionable, we will be the first persons to rectify ourselves at once. If on the other hand it is the desire of yourself or of the Government that our Association should be closed whether there is any legal or moral defect or not, the Directors will be very glad to advise the Shareholders to do so without any delay as no indigenous concern can thrive without the sympathy and moral support of the Local Government. In case you do not give any heed to our reasonable requests and thereby do not issue the Business Commencement Certificate or to give us a satisfactory reply, the Directors will have no other alternative than to place the matter before the Shareholders in their Meeting to be held on the 16th instant to do what they think best in the existing circumstances as the delay in the issue of the Business Commencement Certificate for an indefinite length of time will be detrimental to the interest of the Association owing to the fact that the Association will have to meet the Establishment charges unnecessarily for no business whatsoever. Anyhow, we trust that you will kindly reconsider over the matter and do justice and justice alone.

Begging to be kindly excused for the trouble and thanking you in anticipation,

For The All-India Mutual Aid & Poor Houses Association Ltd.

M. K. Nagannal

*Chief Organizer.*

19 FEB 1927

GEN'L SECRETARIAT
BRANCH
5394
1858

From

The Chief Organizer
All-India Mutual Aid & Poor
Houses Association Limited.
MYSORE.

To

Amin-ul-Mulk Mirza Muhammad
Ismail, Esq., B.A., C.I.E.,
O.B.E.,
Dewan to the Government of
His Highness the Maharaja
of Mysore, BANGALORE

No. 2098-2101 Encls: 8

Dated 25 FEB 1927

---

Forwarded with compliments of the Development Secretary

28/2/27

28 2 27

28/2

Dear Sir,

With reference to the abovesaid Association, we beg leave to bring the following facts to your kind notice and request the favour of the Government issuing a favourable order at their earliest convenience.

As the undersigned wanted to start the abovesaid Association at Mysore with an object of starting POOR HOUSES for feeding the disabled and nursing the suffering poor in all the principal towns throughout India, Burmah and Ceylon, he submitted the Memorandum and Articles of Association to the Registrar of Joint Stock Companies in Mysore, Bangalore, on 22nd May 1926 for the first time for incorporation in accordance with Section 22 of the Mysore Companies Regulation No.VIII of 1917. As the Registrar after thorough scrutiny thought that the abovesaid documents

documents required some amendments, we had to resubmit the same --- finally on 26th June 1926 after making necessary amendments strictly in accordance with Law and also the instructions of the Registrar -- and consequently, the Registrar was pleased to register the said --- documents and issued the Incorporation Certificate of the Associatior on 8th July 1926 in compliance with Sections 22 and 23 (1) of the --- Mysore Companies Regulation. For your kind perusal, we have enclosed herein the amended copies of the Memorandum and Articles of Asso-- ciation as also that of the Incorporation certificate.

After the Incorporation of the Association, as required by - Section 92 (2) of the Mysore Companies Regulation, we filed copies of the English and Kannada prospectuses of the Association for the ---- first time on 10th August 1926 after complying with the requirements of Section 93 of the Mysore Companies Regulation. As the Registrar after careful scrutiny found that the requirement of Sub Section --- (k) of Section 93 of the Mysore Companies Regulation had not been properly complied with and also some other amendments especially as regards the appointment of the Bondholders' Representative and an --- auditor by the Government were necessary, we had to refile with the egistrar for the last time on 1st November 1926, the said copies of he prospectuses after amending the same strictly in accordance with aw as also with the instructions of the Registrar to the very letter.

As the Registrar delayed acknowledging the receipt of the --- opies of the amended prospectuses, we had to send a reminder on 6th: ovember 1926 requesting him to acknowledge the copies of the prospec- uses but to our great surprise and disappointment, he (the Registrar) nstead of acknowledging and filing the said copies of the prospectus- s wrote to us in his letter No.870 dated 9th November 1926 to say -- hat the question of filing the same was receiving his attention and should not publish the prospectuses till the receipt of his intima- on for his having filed the prospectuses. But, as the Directors -- saw that as per Section 92 (2) of the Mysore Companies Regulation, we had only to file copies of the prospectuses with the Registrar on or - before the date of their publication but not to wait for either the --

the acknowledgment or intimation of the Registrar for his having -- filed the prospectuses, they (the Directors)in their Meeting held - on 6th November 1926 passed a Resolution that the Association should publish the prospectuses without waiting for the Registrar's acknowledgment or intimation, as the said prospectuses had been amended -- strictly in accordance with Law and the instructions of the Registrar For your kind information, we have enclosed herein a copy of the --- Registrar's Letter dated 9th November 1926 and that of the Directors' Resolution passed on 6th November 1926.

Subsequently, as we had received applications for more than - the required minimum number of shares, the Directors had to allot -- the said shares to the applicants on 6th November 1926 in compliance with Section 101 of the Mysore Companies Regulation. As we did --- comply with all the conditions mentioned in Section 103 (1) of the - Mysore Companies Regulation including the allotment of the minimum - number of shares, we submitted to the Registrar on 30th November 1926 the duly verified Declaration of the undersigned for having complied with all the said conditions as required by the said Section and requested him (the Registrar) to issue and send us the Business Commencement Certificate in compliance with Section 103 (2) of the Mysore Companies Regulation. But, the Registrar in his letter No.921 ---- dated 3rd December 1926 wrote to us to say that he could not take any action in the matter (i.e., in the issue of the Business Commencement Certificate) until the question relating to the filing of the pros--- pectuses was decided. For your kind information, we have enclosed - herein a copy of the Registrar's letter.

So, we, in our letter No.1805 dated 6/8th December 1926 pointed out to the Registrar that in all matters connected with the - Registration, Formation and Promotion of the Joint Stock Companies -- In Mysore, both the Registrar and the said Companies should be guided by the Mysore Companies Regulation and its provisions strictly adhered to as the same were mandatory but not discretionery and as such he (the Registrar) could not defer the filing of the prospectuses and -- delay the issue of the Business Commencement Certificate on that ----

that ground, in the absence of any provision in the Mysore Companies Regulation to show that the filing of the prospectus and the issue of the Business Commencement Certificate were at the discretion of the Registrar contrary to Sections 92 (2) and --- 103 (2) though the provisions contained in Sections 93 and ---- 103 (1) had been strictly complied with respectively. We ---- further requested the Registrar in the same letter to kindly let us know if we were wrong in any way either legally or morally - and assured him that we would rectify the defects if any immediately on hearing from him. To our great misfortune, the Registrar has not been pleased either to issue the Business Commencement Certificate or/to let us know the reasons for the delay in --- issuing the same upto now, in spite of our repeated reminders, - though it is more than three months and a half since the copies of the prospectuses were filed finally with him and two months - and a half since the verified Declaration before commencing ---- business was submitted to him. For your kind information, a -- copy of our letter No.1805 dated 6/8th December 1926 is enclosed herein.

In addition to this, you know that in compliance with - the provisions made in the Memorandum and Articles of Association we have to invest all our funds entirely in the Government or --- Governments or in the Securities guaranteed by the said Govern--- ment or Governments. Until necessary arrangements are made with either the Government of Mysore or that of India either for accepting our funds perpetually as permanent deposit or for appointing an Official Trustee to hold the Government Securities of the Association in his Safe custody, we wanted to invest our - funds in the Bank of Mysore Ltd,. and consequently applied to the Manager of the Bank to open a current account in the name of the Association, To our great surprise, the Bank refused to open - the account as requested though the Manager of the Mysore Branch had recommended and the Chairman of the Bank had said that there could be no difficulty in opening the account and he would ask --

sk the Manager to do so. On personal enquiry, the undersigned as told by the Chairman of the Bank that the Bank could not --- pen the account in the name of the Association as per instruc-- lons given by a high functionery of the Government, whose name e would not give.

So, we had to apply to the Imperial Bank of India, Madras or opening an account and receiving our funds. The said Bank - as pleased to open an account in the name of the Association but anted a copy of the Memorandum and Articles of Association duly ertified by the Registrar before it could open. We therefore - ubmitted a stamped copy of the said Memorandum and Articles - Association to the Registrar with our letter No.857 dated 24th ptember 1926 for being certified and returned by him as per --- ction 248 (3) of the Mysore Companies Regulation. To our ---- eat misfortune, though it is nearly five months since it was -- nt to the Registrar, he would not either certify and return the py or let us know the reasons for the delay in so certifying in spite of our repeated reminders. In the meanwhile, on or about the 21st September 1926, the District Magistrate, Mysore District, sent for the undersigned and made him understand that the Government considered our scheme to be a lottery and he (the undersigned) would run the risk of being prosecuted by the Government in - case the Association was not closed. But, the undersigned could not be discouraged as he had been perfectly convinced of the ---- legality of the scheme. In these circumstances, you will see -- that the Government instead of giving due encouragement to this - indigenous concern especially in consideration of its having been started with an object of relieving the distress of the suffering humanity, are placing all sorts of impediements in the way of the Association for checking its progress. Consequently, the Association is incurring a heavy loss ever since it was incorporated as it cannot ~~continue~~ commence its business without Business Commencement --- certificate but is to meet the Establishment charges for no business whatsoever. No doubt, the undersigned is not getting any-- thing

anything in form of allowance nor will he get the same even -- after the commencement of business until the Association begins to make profits. The same case is with the Directors also as they are working honorarily for the Association.

To add insult to injury, the Publicity Officer to the - Government of Mysore, has issued a Press Communique on the 4th and 5th instant purporting that the provisions made by the ---- Association in its Memorandum and Articles of Association are - unauthorized and the Government are not inclined to patronize - the Association, and the said Communique has been published by all the English and Vernacular Newspapers in the Mysore Province as also in many leading Newspapers outside. As the said Com-- munique has naturally left an impression in the minds of the --- public that the provisions referred to in the same have been --- made by the Association with an object of defrauding its constituents but not of safeguarding them, it is needless to say that the Communique has been a death blow to the progress of the ---- Association. As mentioned in the enclosed copy of the rejoinder sent by us for publication in some ~~xxx~~ of the Newspapers in - response to the abovesaid Communique, you will see that the ---- notions of the Government are incorrect and they ought to have decided the matter and issued the Communique in case they could not be satisfied with our explanations and the honesty of our - purpose.

In this connection, we have to impress upon your mind that whenever a Company is to be started, according to Company - Law the objects of the Company should be stated in its Memorandum and the rules and regulations for the conduct of its busi-- ness should be stated in its Articles while the prospectus ---- should contain all the objects of the Company and the important particulars mentioned in the Articles. In the same way, as it ~~it~~ was our object that either the funds of the Association --- should be entirely and permanently invested in the Government -

Government or Governments, or the funds should be invested in the Government Securities and the said Securities should be - held for safe custody by an Official Trustee or Trustees to - be appointed by the Government or Governments, this had to -- find a place in the Memorandum and Articles as also in the -- prospectus. As regards the provision for the appointment of a Bondholders' Representative and an Auditor by the Government, the same had to be made in the Articles for the honest conduct of the business and it had to find a place in the prospectus - also. It is not possible even to imagine for a moment by anybody ~~xxxxxxxxxx~~ that these provisions were made to the advantage of the promoters but on the other hand, anybody can understand that the same has been made for ensuring the safety of - the constituents of the Association and the perpetual running of the Institution.

As mentioned in the beginning of this letter, all the abovesaid three documents were thoroughly scrutinized by the Registrar and amended as per his instructions. If the - Government had wanted to make any further amendments, we would have readily made them. Moreover, the undersigned was prompted to start this Association as he saw that the poor and helpless that are in distress in good number both in the Mysore -- Province and elsewhere were not being taken care of either by the Government or by the public and that there could not be -- any real and better worship of God other than to alleviate the misery of such suffering people. So, at the time of the ---- incorporation of the Association, we never suspected that the Government would take the matter in the light in which they -- have taken now but on the other hand, we really thought that - the Government would welcome such provisions as they are in the interest of the public at large and patronize the Association as the work that ought to have been taken up by the Government itself was to be undertaken by the Association.

Apart from the fact that the Charity to be undertaken by the Association is of the best kind and a perpetual one, the - scheme devised for fulfilling the objects of the Association is based on the soundest possible principles without there being - absolutely no risk or speculation whatsoever. As explained in the enclosed prospectus, the working of the scheme is briefly - this. Every person desirous of partaking of the benefit of -- the charity to be done by the Association is to keep a sum of - Rs.50/- deposited permanently with the Association free of ---- interest by paying the said amount either in a limpsum or by -- 50 monthly instalments of Re.1/- each. The Association will - in its turn invest the said deposit amounts for interest in the Government or its Securities entirely and permanently. Out of the interest the Association gets from the Government on this - investment, one half will be exclusively utilized for maintaining the Poor Houses. Out of the other half, two-thirds will - be utilized for granting loans to the abovesaid deposit-holders without any interest repayable in 100 monthly instalments of -- Rs.10/- each per Rs.1,000/- and the remaining one-third plus -- the amount of instalments to be recovered from the loan recipients plus admission and other fees less all the working expenses of the Association will be the net profit of the Association --- every year. Out of this net profit, 50% will be distributed -- among these Bondholders who will not have received loans while - the remaining 50% will be utilized ~~among the Bondholders who will not have received loans~~ for payment of dividends to the --- Shareholders, creating Reserve Fund and profits to Directors.

According to our rules, as soon as there will be 2,000 Bondholders throughout India, Burmah and Ceylon, a Poor House - will be started at Mysore and as soon as there will be 2,000 -- Bondholders in any Province, District or principal town, a Poor House will be immediately started therein. Because, if there will be 2,000 Bondholders in a particular locality, the Association

Association will have collected Rs.1,00,000 from these persons and gets Rs.6,000 interest by investing the said Rs.1,00,000 - either.in the Government or in the Government Securities at an average rate of interest of 6% per annum. As 50% of interest that accrues on the Bondholders' money, is to be exclusively - utilized for maintaining Poor Houses, 50% of Rs.6,000 interest i.e., Rs.3,000 can be utilized for maintaining the Poor House to be started in that locality. As this Rs.3,000 works out - at Rs.250/- per month, 50 sickly and disabled persons at least can be fed in the said Poor House every day. Out of the remaining Rs.3,000 interest, two loans of Rs.1,000/- each amounting to Rs.2,000/- will be granted to two Bondholders every year as determined in the drawings to be held in that locality itself. Of course, the balance Rs.1,000/- interest, plus the amount of - instalments to be recovered from the loan recipients, plus ----- admission etc., fees less the working expenses will be the net - profit of the Association and this net profit will be utilized - as abovesaid. It is needless to say that when the people of a particular locality see that the charity is done in their very -- presence and some of them alone get loans on their personal Security without any interest, they of their own accord will come -- forward and contribute to the fund of the Association. When -- the number of Bondholders increases, the interest that accrues - on the Bondholders' fund will necessarily increase and the number of persons to be fed in the Poor House to be started in that ---- locality will be proportionately more. As it is not a difficult - thing to secure 2,000 Bondholders in a principal town and the --- Association will have organized Provincial, District and Local - Agencies throughout India, Burmah and Ceylon, we are confident - that the Poor Houses will have been started in all the principal towns throughout the abovesaid places in course of a few years. -

The only legal and moral objections that can be raised are that our scheme amounts to a lottery in as much as the loans

loans are granted by means of drawings and those Bondholders who get loans earlier are benefitted more than those who get later - as the latter are to wait even for hundreds of years. In the - first place, mere holding a drawing does not make our scheme a - lotterv according to Section 294 (a) of the I.P.C. as we hold -- drawings only for the grant of loans but not for any distribu--- tion of prizes. Supposing we do away with the drawing, the --- position as regards the grant of loans will not be bottered in - the least while on the other hand not only it would be very difficult ~~to~~ for the directors to determine the nues of the persons to whom the loans are to be granted as the number of loans to be granted - every year will be limited and all the Bondholders will be equally anxious to get the loans simultaneously but also the honesty of -- the Directors will be suspected and they will be ~~abused~~ accused of favouratism or partiality. You will therefore see that the object of - holding the drawings is to determine the names of the persons to - whom the loans are to be granted in order to save the Directors -- from unpleasantness and critisisum as abovesaid but not to benefit a few and make many lose which is the jist of the offence owing to the fact that Bondholders who get loans once will not be entitled to get loans again as per rules and consequently all the Bondholders will be entitled to loans in their turn one year or another as determined in the drawings. Even this (to benefit a few and make many loose) is overlooked in case of Companies started for mutual benefit. For instance, in an Insurance Company ~~of~~ the heirs of the -- Policyholders who die earlier will be gainers whereas those Policy holders who survive the period will be losers as the interest ---- earned by the Company on the premium amounts ~~made~~ paid by the latter -- will make up the bonus amounts payable to the former. From this, it is clear that our scheme does not at all come under the catagory of a lottery as not only the benefit is mutual but also there will be none who will be losers in any way. Even from the moral point of view nothing can be said against our scheme. Because, 50% of the net profits of the Association will be distributed only among

among those Bondholders who will not have received loans and -- consequently the Bondholders who will have got loans will not be entitled to any profits. So, the Bondholders of the Association will have alternate benefits of either getting loans without any interest or having profits.

From the above, you will see that our scheme is free --- from all sorts of objectionable features and it is also practi-- cally workable as the amount to be contributed by each person is within the reach of both the poor and the middle class people. - As the Association will have solved the begger problem which the Government had to solve, the Government cannot but consider that the Association is worth patronizing and deserves every possible help the Government can render. We know that the Government -- are receiving Charitable Endowments as permanent deposit at a -- fixed rate of interest. When our Association is a charitable concern, there can be no difficulty for the Government to accept our funds perpetually as permanent deposit. Of course, we know that the Government are not allowing 6% interest per annum on -- the Charitable Endowments but as the work undertaken by the ---- Association is that which ought to have been undertaken by the - Government, the Government can allow 6% interest on the funds of the Association as a special case. If the Government cannot -- find its way to accept our funds as permanent deposit at 6% or any lower rate they may be pleased to allow, there can be no --- difficulty to appoint an Official Trustee at the cost of the --- Association to hold the Government Securities of the Association for safe custody in consideration of our Association being a---- Charitable concern at least, when the Government of Bombay have appointed an Official Trustee for holding the Government Securi- ties of the Oriental Life Assurance Co., Ltd., in safe custody - though the same is not a charitable concern. As regards the -- appointment of the Bondholders' Representative and an Auditor by the Government, a separate application will be made soon after - there will be 2,000 Bondholders as per our rules.

So,

So, in kind and generous consideration of the facts submitted above, we beg to request most humbly and respectfully - that the Government may be graciously pleased not only to order the Registrar to issue the Business Commencement Certificate -- immediately but also to accept our funds perpetually as permanent deposit at the highest possible rate of interest or ------ appoint an Official Trustee for holding the Government Securities (in which the funds of the Association will be invested) - in safe custody. In the meanwhile, the Government may kindly cause the Press Communique issued by the Publicity Officer withdrawn or the enclosed rejoinder published in the Government --- Publicity Journal free of charge.

Soliciting an early and favourable reply and thanking you in anticipation,

We have the honour to be,
Sir,
Your most obedient servants,

**For The All-India Mutual Aid & Poor Houses Association Ltd.**

Mo. K. Nayannah

*Chief Organizer.*

॥ AUM ॥

No. 433.

(True Copy)

# CERTIFICATE OF INCORPORATION.

I hereby Certify that the All-India Mutual Aid and Poor Houses Association Limited, is this day incorporated under the Mysore Companies Regulation, VIII of 1917, and that the Company is Limited.

Fee Paid Rupees One Hundred and Thirty-nine only.

Give under my hand at Bangalore this Eighth day of July One Thousand Nine Hundred and Twenty-six.

B. RAMASWAMIYA,
Registrar of Joint Stock Companies
in Mysore.

Seal of the Registrar
of Companies,
Mysore.

AUM.

Copy of letter No.870 dated 9th November 1926 from the Registrar of Joint Stock Companies in Mysore, Bangalore, addressed to the Chief Organizer, All-India Mutual Aid and Poor Houses Association Ltd., Mysore.

---

With reference to his letter dated 6th November 1926, the Chief Organizer of the All-India Mutual Aid and Poor ---- Houses Association Ltd., is informed that the question of --- filing the prospectus under reference is receiving attention and the receipt of intimation, from this Office, if such ---- filing should be awaited.

**For The All-India Mutual Aid & Poor Houses Association Ltd.**

**25 FEB 1927** M. K. Rapannah

*Chief Organizer.*

AUM.

Proceedings of the Meeting of the Managing Committee of Directors of the All-India Mutual Aid & Poor Houses --- Association Ltd., Mysore, held on 6th November 1926 at --- 3 P.M. in the Registered Office of the Association at ---- Mysore.

---

x x x

(2) Read the correspondence ending with the Chief ----- Organizer's letter of date addressed to the Registrar of --- Joint Stock Companies in Mysore, Bangalore, regarding the -- filing of the prospectus of the Association.

Resolved unanimously that the Secretary of the --- Association do not wait for the intimation from the Registrar for his having filed the prospectus of the Association, but do issue the amended copies of the prospectus to the public from this day forwards owing to the fact that not only the said --- amended copies of the prospectus have been finally filed with the Registrar on the 1st of this month alone after being amended strictly in accordance with the Law and also the instructions of the Registrar, but also the Company Law requires every New - Association or Company only to file the prospectus on or before the date of its publication but not to wait for any acknowledgment (of the receipt of the said prospectus) or intimation (for the said prospectus having been filed) from the Registrar for - issuing the same to the public as provided in Section 92 of the Mysore Companies Regulation VIII of 1917.

x x x

"True copy"

For The All-India Mutual Aid & Poor Houses Association Ltd.

M. K. Nagannah

25 FEB 1927 *Chief Organizer.*

Copy of letter No.921 dated 3rd December 1926 from the Registrar of Joint Stock Companies in Mysore, Bangalore, -- addressed to the Chief Organizer, The All-India Mutual Aid and Poor Houses Association Ltd., Mysore.

---

With reference to his letter No.1759 dated 30th ---- November 1926 forwarding with a Court Fee Stamp for Rs.6/- a Return of allotments made on 6th November 1926 and a Declaration before commencing business, the Chief Organizer of the All-India Mutual Aid & Poor Houses Association Ltd., is referred to this - Office Memo No.870 dated 9th November 1926, and he is informed - that no action can be taken by this Office in the matter of his present application until the question relating to the filing of the prospectus is decided by this Office.

For The All-India Mutual Aid & Poor Houses Association Ltd.

25 FEB 1927 M. K. Nagannah

Chief Organizer.

Copy of letter No.1000 dated 6/8th December 1936 from the Chief Organizer, All-India Mutual Aid and Poor Houses Association Ltd., Mysore, addressed to the Registrar of Joint Stock Companies in Mysore, Bangalore.

---

Your kind letter No.921 dated 3rd inst.

In reply, we beg to inform you that the Directors of the Association believe that in all matters connected with the ---- Registration, Formation and Promotion of Joint Stock Companies in Mysore, both the Registrar and the said Companies are to be guided by the Mysore Companies Regulation and the provisions -- thereof are to be strictly complied with as they are mandatory but not discretionary. So, as mentioned in our previous letter, you could not but file the copies of our prospectus and also issue the Business Commencement Certificate in compliance with Sections 92 and 103 (2) of the Mysore Companies Regulation No.VIII of 1917 as we have complied with all the provisions mentioned in Sections 93 and 103 (1) of the said Regulation respectively. The Directors are therefore at a loss to understand how the filing of the prospectus could be deferred and the issue of the Business Commencement - certificate delayed on that ground in the absence of any provision in the Mysore Companies Regulation to show that the filing of the prospectus is at the discretion of the Registrar though it is ----. strictly in accordance with Law.

So, the Directors consider that there is nothing more to be complied with by us according to Law and that there can be -- nothing in the way for the issue of the Business Commencement - Certificate. But, if you think that there is still something to be complied with according to Law, we will do the same immediately on hearing from you. In case you consider that there is anything which is morally objectionable, we will be the first persons to - rectify ourselves at once. If on the other hand it is the desire of yourself or of the Government that our Association should be -- closed whether there is any legal or moral defect or not, the ---- Directors will be glad to advise the shareholders to do so without any delay as no indigenous concern can thrive without the sympathy and moral support of the Local Government. In case you do not -- give any heed to our reasonable requests and thereby do not issue the Business Commencement Certificate or to give us a satisfactory reply, the Directors will have no other alternative than to place the matter before the Shareholders in their Meeting to be held on 16th instant to do ~~the~~ what they think best in the existing circumstances as the delay in the issue of the Business Commence-- ment Certificate for an indefinite length of time will be detrimental to the interest of the Association owing to the fact that the Association will have to meet the establishment charges unnecessarily for no business whatsoever. Anyhow, we trust that you will kindly reconsider over the matter and do justice and justice alone

Begging to be kindly excused for the trouble and thanking you in anticipation,

**For The All-India Mutual Aid & Poor Houses Association Ltd.**

25 FEB 1937 M. K. Nagannah

*Chief Organizer.*

# ALL-INDIA MUTUAL AID AND POOR HOUS ASSOCIATION, LIMITED:

Regd. Office: MYSORE, (S. India)

(A provincial Notion)

With reference to the Press Communique issued by the Publicity Officer to the Government of Mysore concerning the provisions made by the above said Association in its Memorandum and Articles of Association etc., for safeguarding the interests of its constituents, it is most regrettable to observe that the Government are wrong in saying that the Statements (regarding the perpetual investment of its funds in the Government, the appointment of an Official Trustee to hold its Securities in safe custody and the appointment of a Bondholders' Representative and an Auditor by the Government to watch the interests of its constituents) made in the abovesaid documents of the Association are unwarranted, for the reason that the Memorandum and Articles of Association as also the prospectus could not but contain all the necessary provisions which are to be given effect to after the commencement of the business of the Association as per Companies Regulation, nor are they (the Government) justified in deciding the matter and issuing the abovesaid Press Communique detrimental to the interests of the Association, without any application being made by the Association or its objections or explanations being taken, for the reason that not only all the abovesaid provisions are worth welcoming by a Governemnt who consider it to be their duty to safeguard the interests of their people as far as possible but also the Memorandum, Articles and the prospectus of the Association in which the said provisions are contained, have been amended strictly in accordance with Law and the instructions of the Registrar of Joint Stock Companies in Mysore, Bangalore, after his perfect scrutiny,

As disclosed by the said Memorandum and Articles of Association, as also by the prospectus, the main object of the Association is to start Poor Houses in all the principal towns throughout, India, Burmah and Ceylon for feeding the disabled and nursing the suffering poor and the scheme devised by the Association for fulfilling its objects has been based on the soundest possible principles without there being absolutely no risk or speculation whatsoever. Notwithstanding this, it is a pity that not only the Government could not be proud of such an institution as this in their State and render the same all possible help in consideration of the Association being the first of its kind either in India or elsewhere and bound to relieve the distress of the suffering humanity as a whole, but also they (the Government) could not realise that the provisions referred to above are not in anyway to the advantage of the promoters of the Association but are made for ensuring the safety of the public at large and the perpetual running of the Institution. Moreover, the Government would have been justified in issuing their communique if the above-said provisions had been made in the documents above referred to only for giving false impression to the public but not to give them effect to practically.

Further, either in the Memorandum or in the Articles of Association upon which the prospectus of the Association is based, it is not stated that all our funds will be invested only in the Government of Mysore but it is clearly stated therein that the funds of the Association are to be invested in the Government of Mysore or in any Indian or Foreign Government. Moreover, as provided in Article 96 of the Articles of Association, the funds to be collected by the Association in a particular Province will have to be invested in that Provincial Government itself. As provided in Article 93, in case any Provincial Government cannot accept our funds as permanent deposit, the funds will be invested in the Seeurities guaranteed by the said Government in preference and the said Government Securities will be held by an Official Trustee to be appointed by the said Government itself. In the places where the Govt. cannot accept our funds as permanent deposit or appoint an Official Trustee, the funds of that province will be invested in the Securities guaranteed by that Government in preference and the said Securities will be kept with the Bankers of the Association in that Province for safe custody as provided in Article 94 of the Articles of Association.

So, it is needless to impress upon the minds of the public that the Mysore Goverument is not the only Government upon which the Association entirely depends for the investment of its funds or for the appointment of an Official Trustee but there are many other Governments both Indian and Foreign for the said purpose and as such the disinclination of the Mysore Government to accept our funds as permanent deposit or Official Trustee, will r Association from inves the Securities guarante vernment of Mysore a Governments or havin rities held by an appointed by any In Government. The pu fore please note that th Association will be inv in any other Governme ments or in the Securit the said Governmen permanently and the S held by the Association with its Bankers for safe an Official Trustee or appointed by any other G Governments for hold Securities in safe custody.

Generally, in all Joint S nies, the Directors and Au elected only by the Shar in this Association in orde the interests of the Bo provision has been made pointment of a Bondholde tative and an Auditor b Government of Mysore or In case the Government o not inclined to appoint the ciation will apply to the G India for the said appoin after there will be 2,000 as per rules. If even the of India cannot find its w the said appointments, the alone will be authorised t said appointments themsel

In conclusion, the public ted to specially note that t of the Association are men in the existance of God an practically realized that F Truth will always triumph or later and consequently t provisions have been ma object of making the Asso lasting one but not for deb body. It is therefore ho the light of the above expl Government will be pleased der the matter and give thi concern their moral suppo richly deserves, in the inte suffering humanity at least

For the All-India M
Poor Houses Asso

Mysore M. L. NAGA
14 Feb 1927 Chie

K. V. V. PRESS, MYSORE.

A copy of this Prospectus has been filed with the Registrar of Joint-Stock Companies in Mysore, Bangalore.

# ALL-INDIA MUTUAL AID & POOR HOUSES ASSOCIATION, LTD., MYSORE.

## SHARE & DEBENTURE PROSPECTUS.

**AUTHORIZED CAPITAL** RS. 1,00,000.

Divided into 2,000 shares of Rs. 50 each and issued at a premium of Rs. 2-8-0 per share. The share and premium amounts are payable as follows:—

Rs. 5-0-0 Rs. (2-8-0 premium and Rs. 2-8-0 share amount) ... on Application.
,, 2-8-0 ... ... ... on Allotment.
,, 45-0-0 by 9 quarterly instalments of Rs. 5 each from the date of allotment.

,, 52-8-0 Total.

**EACH SERIES CONTAINS** 1,00,000 BONDS.

The amount of each bond is Rs. 50 and Rs. 2-8-0 extra is payable for each bond towards admission and stamp fees. The bond amount and admission etc., fees are payable either in a lumpsum with the application or by instalments as follows :—

Rs. 2-8-0 (Rs. 2/- towards admission fee and As. 8/- towards stamp fee) ... with application.
,, 50-0-0 by 50 monthly instalments of Re 1/- each together with the interest of As. 4/- per bond per month until the payment of bond amount is completed.

,, 52-8-0 Total

**DIRECTORS:**

1. Dr. A. J. Ram, L. M. & S., M. D. (E.H.), Physician and Surgeon, *Sayyaji Rao Road, Mysore.*
2. Mr. T. S. Narasimhaswamy, Electrician and General Contractor, *Kotwal Ramaiya's Street, Mysore.*
3. ,, P. Subbaraya Sastry, M.A., Principal, Champion Metropolitan College, *Yelwal Road, Mysore*
4. ,, M. L. Nagannah, Founder and Retired Managing Director, Asiatic Govt. Security Life Assurance Co., Ltd., *Old Agrahar, Mysore.*

**BANKERS:**

The Indian Bank Ltd., Madras.

---

**CHIEF ORGANIZER:**

Mr. M. L. Nagannah.

**SECRETARY:**

Mr. K. R. Nagappa, *Bhakti Vilas, Mysore.*

**AUDITOR:**

Mr. G. V. Iswaraiah, G.D.A.,
*Certified by the Government of Mysore.*

**REGISTERED OFFICE:**

Building No. 368, Bazaar Street,
*Old Agraharam, Krishnaraja Mohalla, Mysore.*

# OBJECTS OF THE ASSOCIATION.

## INTRODUCTION.

It is a matter of common experience that, although everyone makes all possible efforts to secure happiness, only those who have worshipped God in their previous births are blessed with it. As, for instance, though there are many who have obtained Degrees in Law, Medicine or other subjects with equal rank, it is only a few that are happy in acquiring wealth either by holding high appointments or by becoming leading Practitioners, while others find it difficult even to eke out their livelihood. It is thus clear that even though our efforts in this birth are equal and earnest, yet the result in each case is different according to the nature of worship of God in our past births. Nay, it is the experience of many of us that anyone destined to suffer great misery in this birth as the result of sins committed by him in his past ones can have such suffering lessened in proportion to his sincerity in the worship of God now and can finally attain happiness by the grace of God. So, it is beyond doubt that those who worship God and win His Grace attain happiness unmixed with misery both in this world and in the other. The worship of God is of two sorts. One is to regard some image as God and pay it all kinds of divine honours. This form of worship is known as IMAGE WORSHIP or worship of God in His STABLE FORM. The other is to please Him by alleviating the distress of the poor and the helpless by giving them food and medicine. This is said to be the worship of God in His MOVING FORM. As the latter is more pleasing to God than the former, those who follow this form gain the full grace of God much sooner and much more easily than by mere image worship.

Hence, those who have realized that this world (comprising both animate and inanimate objects) is the manifestation of God and devote themselves to the alleviation of the miseries of such poor and helpless persons as are afflicted by hunger or disease, become the real worshippers of God and thereby derive happiness both in this and in the other worlds by the grace of God. Though many know this fact, yet the poor for want of money and the rich on account of their desire to amass wealth do not generally perform this superior form of worship. Even those well-to-do people who are eager to gain the favour of God may carry out this kind of worship only during their life-time but not after, as it is not easy for them to arrange for this form of worship for ever, that is, even after they leave this world. Since the duration of happiness that those people can enjoy in the world to come is in proportion to the nature of their worship in this world, they have to be born again soon after their time of enjoyment there is over. Therefore, those who arrange for this superior form of worship here perpetually will enjoy continued happiness in the other world, and will not have to come back to this world as the fruits of the worship here will be going to benefit them even when they are in the other world. Consequently, their stay in the other world will be extended. So, those that arrange for the worship, however trivial it may be, to continue for ever will attain heaven and, after enjoying all possible happiness there for a long time, finally attain the highest stage. As, for instance, a mango seed, though small in form, grows into a big tree and yields a good number of fruits for a long time, so also the charitable deeds that we do in this world, however trifling they may be, bring about the greatest happiness for a long duration in the next world.

Keeping the abovementioned facts in view, the "All-India Mutual Aid and Poor Houses Association, Limited" has devised a new scheme (as detailed below) and aims, on the one hand, at enabling even the poorest to perform the abovesaid superior form of worship of God both during and after their life-time—nay as long as the world will be in existence—by paying a paltry sum and thereby win the full grace of God and, on the other hand, at alleviating the distress of the suffering humanity by starting charitable institutions (comprising Poor Houses and Hospitals for feeding the disabled and nursing the suffering who are poor and helpless) in every principal town throughout India, Burmah and Ceylon, as mentioned in the Memorandum of Association, a copy of which is hereto attached.

### Explanation of the Scheme.

Anyone who wishes to have the benefit of the abovesaid scheme can get a bond from the Association without any restriction of caste, creed, religion, sex or age on payment of Rs. 50 either in a lump sum or by 50 monthly instalments of Re. 1 each. The crores of Rupees that will be collected from lakhs of bondholders who may join the Association from all parts of India, Burmah and Ceylon will be entirely and permanently invested in the Governments of Mysore and India and half of the interest which will be got on this investment will be utilized for maintaining the Charitable Institutions to be started by the Association as abovementioned in every principal town in the abovesaid countries. If there should be any surplus out of the abovesaid interest after meeting the expenses of the Charitable Institutions of the Association, such amount will be utilized for aiding Educational, Medical, Religious and such other Charitable Institutions started for the good of the public in those places.

If any of the bondholders does not pay his monthly instalment and interest within the month for which the same fall due, his bond will lapse and the amounts paid thereon till then will be forfeited to the Association in case he does not get the bond revived within 3 months from the date of default, on payment of all arrears with a penalty of one anna per rupee per month.

If the name of any partly paid-up bondholder is drawn, the balance amount due on his bond will be deducted out of the loan amount to be paid to him. The principal amount of bond will not be refunded until the bond is drawn but the same will be allowed to be adjusted out of the last instalments payable by the holder of the said bond on account of the loan advanced to him.

The Association has made a provision in its Articles for the issue of separate series of bonds of any denomination to any community so that 50% of the interest accruable on the amount of bonds to be collected from the respective community people may be utilized for maintaining Charitable Institutions to be started for the Moral, Spiritual and Educational uplift of the said community people. For the present, one series of bonds will be issued by the Association exclusively to the Veerashiva community people for aiding the Educational Institutions and Students' Homes to be started by His Holiness Sri Jagadguru Sivananda Rajendra Sivacharya Mahaswami of Rambhapuri. The question of issuing separate series to other communities will be considered on application.

Out of the remaining half of the interest, two-thirds will be utilized in granting loans from Rs. 1,000 to Rs. 5,000 (repayable in one hundred monthly instalments of Rs. 10 each per every Rs. 1,000) to one hundred persons out of one lakh bondholders every year (as determined in the drawings) on their personal security without any interest. The balance one-third *plus* the amount of instalments to be recovered from the bondholders to whom the loans will be granted *plus* admission, etc., fees to be recovered from the new bondholders, *less* all the working expenses of the Association will be the net profit. Out of this net profit a portion will be set apart for payment of dividends to the shareholders and the balance will form the Reserve Fund. The Reserve Fund that will thus accumulate every year in this way will be utilized in constructing buildings for the Head Office, Chief Agencies or Branch Offices and Charitable Institutions of the Association.

## Example.

**Appropriation of interest accrued on bond amounts for maintaining Charitable Institutions and granting loans to bondholders.**

As the number of bonds to be issued by the Association is unlimited, they will be issued in several series, each series consisting of one lakh bonds. Supposing there will be one lakh bondholders in any calendar year qualified for drawing in any particular series, these one lakh bondholders will have paid to the Association Rs. 50,00,000 at Rs. 50 each. As this amount will be entirely invested in the Government, the Association gets three lakhs of rupees interest at least from the Government at 6 per cent per annum on the same. Out of this three lakhs of rupees, half the amount, *i.e.*, one lakh and a half, will be utilized for maintaining Charitable Institutions of the Association. As the names of one hundred persons per every lakh bondholders are to be drawn in the drawings every year, one hundred names will be drawn in the abovesaid calendar year. Out of those whose names are drawn like this, the first-drawn bondholder gets Rs. 5,000, the second-drawn bondholder gets Rs. 2,000 and the remaining 98 drawn bondholders get Rs. 98,000 at Rs. 1,000 each, amounting in all to Rs. 1,05,000 as loans without any interest, on their personal security.

**Net profit of the Association.**

Rs. 45,000 being the surplus amount of interest of three lakhs of rupees after transferring Rs. 2,55,000 (1,50,000 and 1,05,000) for maintaining Charitable Institutions and granting loans as abovesaid, *plus* the amount of instalments (at Rs. 10 per month per thousand) to be recovered from the drawn bondholders in the abovesaid calendar year on account of the loans granted to them every year, *plus* the amount of admission, etc., fees recoverable from the new bondholders that join the Association in the abovesaid year, *less* all the working expenses of the Association in the said year, will be the net profit of the Association for that year.

**Increase of net profit year by year.**

As determined in the drawings, a sum of Rs. 1,05,000 will be granted as loans to one hundred persons out of one lakh bondholders every year. During the year subsequent to that for which the first drawing is held, the Association will have collected Rs. 12,600 on account of the said loans. As another sum of Rs. 1,05,000 will be granted as per second drawing, the amount of instalments to be recovered during the next year will be Rs. 25,200. In the same way, as the drawings are held every year, the amount of instalments to be recovered from the bondholders will increase every year by Rs. 12,600, so much so that the amount of instalments to be recovered from them in the 8th year and onwards would be Rs. 1,00,000 and odd as the total amount of loans granted up to then would be Rs. 8,40,000. As the instalments to be recovered thus will be the income of the Association, the profits of the Association will necessarily increase proportionate to the increase in the collection of the amounts of instalments. When the amount of instalments to be recovered per each series would be Rs. 1,00,000 and odd, the total collection of instalments would be as many lakhs as there will be series. So, the net profit of the Association will accumulate to lakhs of rupees every year as there will be many lakhs of bondholders as the years pass on.

**Dividends to shareholders and accumulation of Reserve Fund.**

Out of lakhs of rupees net profit to be made by the Association every year as abovestated, a portion will be set apart for payment of dividends to the shareholders and the balance will be utilized for payment of profits to the Bondholders and Directorsas also for creating the Reserve Fund of the Association.

---

N. B.—Only for the facility of calculation, the number of one lakh bondholders has been given in the abovesaid example and so, as mentioned hereinafter, it is not necessary that one lakh bondholders should be secured either for holding the drawings or for starting Charitable Institutions. For, as soon as there will be 1,000 bondholders, the drawings will begin to be held and as soon as there will be 2,000 bondholders, the Charitable Institutions will begin to be started by the Association.

## Other Special Features.

**Qualification of bondholders for drawings.**

Those bondholders who will have completed the payment of their full bond amounts before the beginning of a calendar year, and also those that will not have fully paid up their bond amounts but will have paid all their monthly instalments without anything in arrears during that calendar year together with interest at As. 4 per bond per month will be qualified to have their names included in the drawing of the said calendar year.

**Holding of separate drawings in different places.**

If the number of bondholders qualified for the drawing will be not less than 1,000 in any province, district, taluk or principal town, a separate drawing will be allowed to be held in that province, district, taluk or principal town as the case may be and the number of loans to be granted will be proportionate to the number of bondholders in the said localities.

**Starting of Charitable Institutions at Mysore and other places.**

As soon as there will be 2,000 fully paid-up bondholders in the Association, a Charitable Institution (comprising a Poor House and a Hospital) will be started at Mysore and similar institutions will be started in every province, district, taluk and principal town as soon as there will be 2,000 fully paid-up bondholders.

IN PLACES WHERE IT WILL BE FOUND CONVENIENT TO FEED THE DISABLED AND OLD CATTLE AND OTHER DOMESTIC ANIMALS, A CATTLE SHED OR PINJARAPOLE WILL BE ATTACHED TO THE POOR HOUSES TO BE STARTED IN THE SAID PLACES.

**Non-inclusion of drawn bonds in the subsequent drawings and derivation of benefits of each bond separately.**

As the names of the bondholders drawn in a drawing will not be included in the subsequent ones, all the bondholders or their heirs are sure to get loans one year or another according to their turn. Any person may take up any number of bonds and those that take up more bonds than one will be entitled to the benefits of each bond separately. That is, if a person takes up ten bonds in his name and if he gets a loan in respect of one of the bonds having been drawn in any year, only the said bond which is drawn will not be included in the subsequent drawings but the same bondholder will be getting loans again and again in respect of each of the remaining nine bonds in each of the years in which they will be drawn. Nay, if by chance all his ten bonds are drawn in any one year, he will get loans simultaneously in respect of all the bonds.

**The Association not incurring loss even if any loans are found to be irrecoverable.**

In case any of the persons that are granted loans happen to be poor and the loan amount is found irrecoverable from them in spite of the Association taking necessary legal steps, it will be no loss to the Association as the loan amounts will not be paid out of the principal amount but will be paid only out of a portion of interest to be got by the Association. Moreover, as the bondholders comprise of both the rich and the poor, the chances go to them both. If the chances go to the rich, there will be certainty of the return of the loan amounts and, if the chances go to the poor and any of the loans granted to them is found to be irrecoverable, the Association would be benefiting the poor.

## Important Privileges and Benefits to the Bondholders of the Association.

**Bond amount smallest and the payment easiest.**

The amount of Rs. 50 payable for each bond by the bondholders is so small and the payment is so easy that it will not be felt by either the poor or the rich as it may be paid by **50 monthly instalments** of Re. 1 each.

**Absolute security.**

As provided in the Memorandum and Articles of Association, the principal bond amount to be collected from the bondholders will be **entirely and permanently invested in the Government or in the Government securities** and the said securities will be held for safe custody by an **Official Trustee appointed by either the Government of Mysore or that of India.**

Regarding the appointment of a Bond-holders' Representative and an Auditor by the Government, please *vide* 49 and 71 Articles of Association annexed hereto.

**Perpetuity of the Charitable Institutions and the bondholders partaking the benefit of the charities done by the Association.**

As half of the interest that accrues on the principal bond amounts of the bondholders will be exclusively utilized in relieving the distrees of the poor and helpless and there is no better form of worship of God than this, **all the bondholders of the Association being the authors of this worship will win the full grace of God and enjoy eternal happiness in the other world as they will have arranged for this superior form of worship of God for ever and ever.** Since the Governments will last as long as the world will be in existence, the funds of the Association will be safe and will be securing interest regularly. Thus, the Association is bound to run the Charitable Institutions without any obstruction whatever **as long as the world exists.**

**Bondholders getting loans on personal security without interest.**

As explained hereinbefore, **the bondholders or their heirs are sure to get loans one year or another on their personal security alone without any interest from Rs. 1,000 to Rs. 5,000.** As the amount of instalments they pay every month on the loan amounts that they receive will be equal to 12 per cent interest per annum on the said loan amounts, **the bondholders will have the loan amounts for themselves after 100 months as they will have paid mere interest for that period at the abovesaid rate.**

**Bondholders not required to repay the loan amounts in case they utilize it for constructing buildings for Charitable Institutions.**

If any of the drawn bondholders do not want loans but are willing to utilize the said loan amounts for constructing the buildings of the Charitable Institutions of the Association, not only will they not be required to repay anything to the Association on account of the said loan amounts, but they will also be entitled to the benefit of the charity done with the said loan amounts.

The non-drawn bondholders will be entitled to 50% of the net profits of the Association and the said profit will be distributed once in every five years.

## Special Privileges and Benefits to the Shareholders of the Association.

**Object of the Capital of the Association.**

As the main object of the Association is to start Charitable Institutions and the said Institutions will be maintained only with the interest on the bondholders' amount without any necessity for the utilization of any other amount, this Association has been started with an authorized Capital of one lakh divided into 2,000 shares of Rs. 50 each in order to satisfy the requirements of the Law.

**Directors' previous permission necessary for applications for more than 10 shares.**

As it is the object of the Directors to make the extraordinary benefits of the shares of the Association available for as many persons as possible, **no applications will be received for more than 10 shares from an individual person.** In case there will be any who wish to apply for more than 10 shares, they should obtain previous permission from the Directors before making any application.

# ARTICLES OF ASSOCIATION

RELATING TO THE

## Appointment of a Bond-holders' representative & an auditor by the Govt

49. As soon as there will be 2,000 fully paid-up bondholders, the Directors shall apply either to the Government of Mysore or that of India for the appointment of a Bondholders' Representative on the Board of Directors to watch the interests of the bondholders. The said appointment may be made by the Government once in every year or otherwise as they shall think fit. The Bondholders' Representative shall be entitled to the same privileges and remuneration as any other Director of the Association.

71. As soon as the Association secures 2,000 fully paid-up bondholders, the Directors shall apply to the Government of Mysore for the appointment of an auditor on behalf of the bondholders for auditing the accounts of the Association in addition to their being audited by the Auditor appointed by the Shareholders. If the Government appoints such an auditor, such remuneration as the Government direct, shall be paid to him by the Association.

**Easy payment of the share amount.**

As the shares of the Association are sold at a premium of Rs. 2-8-0 per share, the intending shareholders shall pay Rs. 2-8-0 being the said premium amount as also Rs. 2-8-0 towards part payment of the share amount, *i.e.*, **Rs. 5 per share with the application.** After the shares are allotted, the shareholders shall pay immediately Rs. 2-8-0 per share and **the balance Rs. 45 per share by nine quarterly instalments of Rs. 5 each** from the date of allotment.

**Investment of shareholders' money and allotment of bonds to shareholders.**

As the paid-up capital of the Association is not required for any other purpose as mentioned above, the whole paid-up capital will be utilized in purchasing bonds of the Association itself and the bonds thus purchased will be allotted to the shareholders at one bond per every share held by them on payment of Rs. 2-8-0 per bond towards admission fee and cost of bond and so **the whole paid-up capital will become bond amount and the same will, therefore, be entirely and permanently invested safely in the Government** just like the amounts of bondholders.

**Shareholders entitled to the profits of the Association as well as to the benefits of the bonds.**

As the shareholders get bonds, they will be entitled to all the privileges and benefits the bondholders are entitled to as mentioned hereinbefore. In addition to this, the shareholders will not only be entitled to the dividends to be declared out of the profits which the Association earns every year but they may also, in course of a few years, expect **cent per cent dividends on their share amounts** as the Association is sure to make **lakhs of rupees profit** as explained hereinbefore as against a paid-up capital of only one lakh of rupees.

**Necessity for immediate application for shares.**

**Until 2,000 shares of the Association are disposed of, the applicants can become the holders of both a share and a bond for each Rs. 50 they pay and thereby they will be entitled to double benefits.** After 2,000 shares are disposed of, applications for bonds alone will be received and, therefore, the applicants will be entitled only to the benefits of a bond for every Rs. 50 they pay. So, it is necessary that those who wish to avail themselves of the abovesaid **extraordinary double benefits should send their applications** for the required number of shares **immediately** in the appended form together with a remittance of Rs. 5 per share **to avoid disappointment.**

## Directors' Qualification and their Remuneration.

Each Director of the Association shall hold 20 shares of the Association in his individual name. In case any of the Directors, not being residents of Mysore, attends the meetings of the Board or the Committee, he will be entitled to actual travelling expenses. Until the business of the Association is commenced, no Director will be entitled to any sitting fee for any meeting of the Board or the Committee attended by him. After the business is commenced and until the capital of the Association is fully subscribed, a sitting fee of Rs. 6-4-0 and Rs. 12-8-0 will be paid to each Director for every meeting of the Committee or Board attended by him respectively. After the capital of the Association

॥ ॐ ॥

## FORM OF APPLICATION FOR SHARES.

*No*.....  *Influenced by*.....

| | |
|---|---|
| *Allotment No.* | |
| *Date of Allotment.* | |
| *No. of Shares Allotted.* | |
| *Share Nos.* | *to* |

To

**The Directors,**

**All-India Mutual Aid & Poor Houses Association, Ltd.,**

**MYSORE.**

*Gentlemen,*

Having paid the sum of Rs.....being the deposit of Rs. 5 (Rs. 2—8—0 towards premium and Rs. 2—8—0 towards share amount) per share on.....shares of Rs. 50 each in the above Association, I request that you will allot to me that number of shares. I hereby agree to accept the same or any less number that you may allot to me, upon the terms of the Prospectus dated 10th August 1926 and the Memorandum and Articles of Association, and I authorize you to place my name on the Register of Members in respect of the shares allotted to me. Further, I also agree to pay Rs. 2—8—0 per share on allotment and Rs. 45—0—0 per share by 9 quarterly instalments of Rs. 5 each from the date of allotment.

*Station*.....

*The*.....*192*

**Usual Signature.**

.....

**Please write distinctly.**

*Name in full*.....

*Age*.....

*Profession or Business*.....

*Address (in full)*.....

*Post Office*.....

*District or Province*.....

is fully subscribed, a sitting fee of Rs. 12-8-0 and Rs. 25 will be paid to each Director for every meeting of the Committee or Board attended by him respectively. Apart from this, all the Directors along with the Bondholders' Representative will be entitled to 10 per cent of the net profit of the Association, every year and the said amount will be distributed among all of them equally. Except this, the Directors have no other interest in the Association nor is any promotion or other fee payable either to the Directors or anybody else.

## Minimum Subscription.

The minimum number of shares for which the Association should receive applications before the first allotment is made and the business of the Association is commenced, is 200 shares to the nominal value of Rs. 10,000.

## Commission on Shares.

A commission not exceeding 5 per cent on the nominal value of shares actually allotted will be paid by the Association. As the shares are sold at a premium of Rs. 2-8-0 per share, the commission payable to the agents will be met out of the said premium amounts alone and so, nothing will be paid out of the paid-up share amounts towards commission.

## Preliminary Expenses.

The preliminary expenses to be incurred by the Association are estimated to be Rs. 2,500. But as the Association gets Rs. 2-8-0 per share from the shareholders on account of bonds to be allotted to them, towards admission fee and cost of bond as mentioned hereinbefore and the said collection will amount to Rs. 5,000 (2,000 shares at Rs. 2-8-0 each) the preliminary expenses will be written off eventually out of the said amount.

## Agreement.

ON 9 AUG 1926

An Agreement is entered into between the Association of the one part and Mr. M. L. Nagannah of the other part by which the said Mr. M. L. Nagannah will be the Chief Organizer of the Association for 25 years and thereafter on the terms and conditions mentioned in the draft Agreement annexed to the Articles of Association. The said ~~draft~~ Agreement as also the Articles of Association can be inspected by anybody at the Registered Office of the Association during office hours or a copy thereof can be obtained on payment of As. 8 only.

For further particulars, prospectuses and application forms, communications may be addressed to the Secretary of the Association at the Registered Office.

A. J. RAM,
M. L. NAGANNAH,

P. SUBBARAYA SHASTRY,
T. S. NARASIMHASWAMY,

*Dated* 12 JAN 1927

2149-26 The Bangalore Press.

# MEMORANDUM OF ASSOCIATION

## OF

# All-India Mutual Aid & Poor Houses Association Ltd.

---

1 The name of the Association is the " All-India Mutual Aid and Poor Houses Association Limited ".

2. The Registered Office of the Association will be situated in the State of Mysore.

3. The objects for which the Association is established are:—

(a) To establish Charitable Institutions in every principal town in India and also in any other part of the world for feeding the disabled and nourishing the suffering poor without any restriction of caste, creed or sex, and also for aiding Educational, Medical, Religious and other Institutions started for the good of the society.

(b) To carry on in India and in any other part of the world the business of raising funds by issuing at par or at a premium, bonds, debentures and debenture stock, perpetual or otherwise, with or without special privileges and also with or without a specific charge on all or any part of the property of the Association.

(c) To invest, perpetually or otherwise, the principal amount of bonds, debentures, and debentnre stock, in the Government, Indian or Foreign, or in securities guaranteed by the said Government.

(d) To deposit, perpetually or otherwise, the Government securities held by the Association for safe custody with an Official Trustee or Trustees if any appointed by the Government or Governments, Indian or Foreign.

(e) To maintain and aid the abovesaid Charitable and other institutions with a portion of interest accrued on the funds invested as above in the Government or in the Government Securities.

(f) To grant loans, with or without interest or security to the holders of bonds, debentures or debenture stock, as determined by periodical drawings out of a portion of interest accrued on the abovesaid funds, and allow the repayment of the said loans by easy instalments.

(g) To utilize a portion of interest accrued on the abovesaid funds together with the amount of instalments repayable to the Association on account of loans granted to the bond and debenture holders and also admission, stamp and other fees payable by the holders of bonds, debenture and debenture stock, for meeting the working expenses of the Association, making provision for Reserve Fund and paying dividends to the Shareholders.

(h) To invest the paid-up capital and Reserve Fund in such securities as are determined from time to time by the Association in its General Meeting.

(i) To purchase, take or lease in exchange, or hire or otherwise acquire any estate, interest in any lands or buildings, leasements, rights, privileges, concessions and immoveable property of any tenure or kind

necessary or convenient for the business of the Association in any part of the world.

(j) To erect, construct, lay down, enlarge, alter and maintain buildings, works and Machinery, necessary or convenient for the business of the Association in any part of the world

(k) To purchase or otherwise acquire the business and property of any person, firm or company carrying on any business which the Association is authorized to carry on and take over the property and liability of such person, firm or company on such terms as the Association may think fit

(l) To enter into partnership and into an arrangement for sharing profits, union of interest, co-operation and joint adventure, reciprocal concession or otherwise, with any person, firm or company carrying on or about to engage in, any business or transaction calculated to benefit this Association and to guarantee the contracts of or otherwise assist such person, firm or company.

(m) To establish Provincial and Local Boards, Branches and Agencies in any part of the world and to discontinue the same.

(n) To enter into and carry into effect an agreement with regard to management which has already been prepared and is expressed to be made between Mr M. L Nagannah of the one part and the Association of the other part, and copy whereof is annexed hereto.

(o) To enter into agreements with the officers, agents and other employees of the Association on the terms and conditions as are determined by the Directors from time to time.

(p) To receive donations from the public at large and utilise for Charitable purposes.

(q) To act as Trustees for any Charitable Institution or Fund and do everything incidental and conducive to the promotion of the objects of the donors concerning the said Charitable Institution or Fund as the case may be.

(r) To do all such other things as are incidental or conducive to the attainment of all or any of the above objects.

4. The liability of the Shareholders is limited.

5. The capital of the Association is Rs 1,00,000 divided into 2000 shares of Rs. 50 each, with power to increase.

| Serial No. | Names, Descriptions and addresses of ~~Shareholders~~ Subscribers. | No. of shares taken |
|---|---|---|
| 1. | M. S. Basavalingayya, B.A., B.L., Legal Practitioner, Old Agrahar, Mysore. | 20 |
| 2. | T. S. Narasimhaswamy, General Contractor and Electrician, 612, Kotwal Ramiah's Street, Mysore. | 20 |
| 3. | P. Subbaraya Sastry, M.A. etc., Principal, Champion Metropolitan College, Ilwal Road, Mysore. | 20 |
| 4. | Sirasi Gurushantha Sastry, Palace Asthan Vidwan, Old Agrahar, Mysore. | 20 |
| 5. | A. J. Ram, L.M. & S., M.D. (E.H.) Physician & Surgeon, Sayyaji Rao Road, Mysore. | 20 |
| 6. | K. Nagappa, Managing Proprietor of Messrs K. Nanjundappa & Sons, Old Thurgpet, Bangalore City. | 20 |
| 7. | M. L Nagannah, Founder & Retd. Managing Director, Asiatic Government Security Life Assurance Co Ltd., Old Agrahar, Mysore. | 20 |

MYSORE PRESS, MYSORE.

M.L.Nagannah
T.S.Narasimhaswamy
A.J. Ram
P.Subbaraya Sastry

OM

# MEMORANDUM OF ASSOCIATION

OF

# All-India Mutual Aid & Poor Houses Association Ltd.

WITH

# ARTICLES OF ASSOCIATION

THE MYSORE PRESS, RAMAVILAS ROAD, MYSORE.

OM

# INDEX


| | PAGE. |
|---|---|
| MEMORANDUM OF ASSOCIATION .... .... .... | i to iii |
| ARTICLES OF ASSOCIATION .... .... .... | 1 to 20 |
| I. Constitution of the Association .... .... | 1 |
| II. Preliminary .... | 1 |


# ERRATA.

| Page | Line | *For* | *Read* |
|---|---|---|---|
| i | 25 | appointed | if any appointed |
| 15 | from below 4 | also may enjoy | may enjoy also |

*Note:* — In pages i, 1, 18 and 19, *for* 'All-India Co-operative and Charitable Association Ltd' *read* 'All-India Mutual Aid and Poor Houses Association Ltd'.


Schedule ... .... .... 18

OM

# MEMORANDUM OF ASSOCIATION

OF

# All-India Mutual Aid & Poor Houses Association Ltd.

1. The name of the Association is the " All-India Co-operative and Charitable Association Limited. "
2. The Registered Office of the Association will be situated in the State of Mysore.
3. The objects for which the Association is established are:—
   (a) To establish Charitable Institutions in every principal town in India and also in any other part of the world for feeding the disabled and nourishing the suffering poor without any restriction of caste, creed or sex, and also for-aiding Educational, Medical, Religious and other Institutions started for the good of the society.
   (b) To carry on in India and in any other part of the world the business of raising funds by issuing at par or at a premium, bonds, debentures and debenture stock, perpetual or otherwise, with or without special privileges and also with or without a specific charge on all or any part of the property of the Association.
   (c) To invest, perpetually or otherwise, the principal amount of bonds, debentures and debenture stock, in the Government, Indian or Foreign, or in securities guaranteed by the said Government.
   (d) To deposit, perpetually or otherwise, the Government securities held by the Association for safe custody with an Official Trustee or Trustees appointed by the Government or Governments, Indian or Foreign.
   (e) To maintain and aid the abovesaid Charitable and other institutions with a portion of interest accrued on the funds invested as above in the Government or in the Government Securities.
   (f) To grant loans, with or without interest or security to the holders of bonds, debentures or debenture stock, as determined by periodical drawings out of a portion of interest accrued on the abovesaid funds, and allow the repayment of the said loans by easy instalments.
   (g) To utilize a portion of interest accrued on the abovesaid funds together with the amount of instalments repayable to the Association on account of loans granted to the bond and debenture holders and also admission, stamp and other fees payable by the holders of bonds, debenture and debenture stock, for meeting the working expenses of the Association, making provision for Reserve Fund and paying dividends to the Shareholders.
   (h) To invest the paid-up capital and Reserve Fund in such securities as are determined from time to time by the Association in its General Meeting.

(i) To purchase, take or lease in exchange, or hire or otherwise acquire any estate, interest in any lands or buildings, leasements, rights, privileges, concessions and immoveable property of any tenure or kind necessary or convenient for the business of the Association in any part of the world.

(j) To erect, construct, lay down, enlarge, alter and maintain buildings, works and machinery, necessary or convenient for the business of the Association in any part of the world.

(k) To purchase or otherwise acquire the business and property of any person, firm or company carrying on any business which the Association is authorized to carry on and take over the property and liability of such person, firm or company on such terms as the Association may think fit.

(l) To enter into partnership and into an arrangement for sharing profits, union of interest, co-operation and joint adventure, reciprocal concession or otherwise, with any person, firm or company carrying on or about to engage in, any business or transaction calculated to benefit this Association and to guarantee the contracts of or otherwise assist such person, firm or company.

(m) To establish Provincial and Local Boards, Branches and Agencies in any part of the world and to discontinue the same.

(n) To enter into and carry into effect an agreement with regard to management which has already been prepared and is expressed to be made between Mr. M. L. Nagannah of the one part and the Association of the other part, and copy whereof is annexed hereto.

(o) To enter into agreements with the officers, agents and other employees of the Association on the terms and conditions as are determined by the Directors from time to time.

(p) To receive donations from the public at large and utilise for Charitable purposes.

(q) To act as Trustees for any Charitable Institution or Fund and do everything incidental and conducive to the promotion of the objects of the donors concerning the said Charitable Institution or Fund as the case may be.

(r) To do all such other things as are incidental or conducive to the attainment of all or any of the above objects.

The liability of the Shareholders is limited.

The capital of the Association is Rs. 1,00,000 divided into 2000 shares of Rs. 50 each, with power to increase.

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into an Association in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Association set opposite to our names.

| Serial No. | Names and descriptions of Subscribers. | Addresses of the Subscribers. | No. of shares taken | Nominal value of shares. | Names and addresses of witnesses. |
|---|---|---|---|---|---|
| 1 | M. S. Basavalingayya, B.A., B.L., Legal Practitioner | Old Agrahar, Mysore. | 20 | 1000 | K. R. Nagappa, 1, Bhaktivilas, Mysore. |
| 2 | T. S. Narasimhaswamy, General Contractor & Electrician. | 612, Kotwal Ramiah's Street, Mysore. | 20 | 1000 | H. S. Venkataramiah, 1, Bahktivilas, Mysore. |
| 3 | P. Subbaraya Sastry, M.A. etc., Principal, Champion Metropolitan College, Ilwal Road, Mysore. | 1938, Kotwal Ramiah's Street, Sivarampet, Mysore. | 20 | 1000 | K. R. Nagappa, 1, Bahktivilas, Mysore. |
| 4 | Sirasi Gurushanta Shastry, Palace Asthan Vidwan. | Old Agrahar, Mysore. | 20 | 1000 | do |
| 5 | A J Ram, L.M. & S, M.D. (E. H.) Physician and Surgeon. | Sayyaji Rao Road, Mysore. | 20 | 1000 | K. N. Mudaliar, Druggist, Road, Mysore |
| 6 | K. Nagappa, Managing Proprietor of Messrs. K. Nanjundappa & Sons. | Old Thurgpet, Bangalore City. | 20 | 1000 | H. Rudrappa, Merchant, Moddagiri. Tumkur Dist. |
| 7 | M. L. Nagannah, Founder & Retd. Managing Director, Asiatic Government Security Life Assurance Co. Ltd. | Old Agrahar, Mysore. | 20 | 1000 | K. R. Nagappa, 1, Bhaktivilas, Mysore. |
| | | TOTAL | 140 | 7000 | |

**Dated this 20th day of May 1926.**

AUM.

# All-India Mutual Aid & Poor Houses Association Limited.

## REGISTERED OFFICE: MYSORE (S. INDIA).

—:o:—

## NOTICE.

The under-noted Articles have been incorporated after sanction by the Shareholders of the Association in their Extra-ordinary General and Confirmatory Meetings held on 16th December 1926 and 7th January 1927 respectively. Out of the following Articles, Articles 17 (c), 58 (a), 66 (a) and 89 (a) have been freshly added to the existing Articles of Association whereas the other two Articles have been substituted for the existing Articles of the same numbers given to them.

*Dated 8—1—1927,*
*Mysore.*

K. R. Nagappa,
*Secretary.*

17. *(c)* 50% of the net profits of the Association shall be distributed among all the existing non-drawn Bondholders once in every five years proportionate to the period their bonds will have been in force during the said five years.

58. *(a)* The first members of the Managing Committee of Directors shall not be subject to any rotation just as other Directors but their Office as Directors shall be permanent unless they are disqualified to be Directors.

66 *(a)* The Directors may, if they deem it necessary, organize a Provincial Board in any Province and get the funds collected in that Province invested in the respective Provincial Government even before 2000 Bondholders are secured in the said Province. The Directors may, if they deem it necessary, organize a separate Provincial Board for a particular community and the funds relating to that community shall be invested in any Government the said Provincial Board recommends.

85. The surplus amount of interest on the Bondholders' Fund (after transferring the prescribed amount to the Drawing and Charity Funds as herein—before mentioned) every year plus the admission fees, cost of Bond and penalty payable by the Bondholders plus the amount of instalments to be recovered from the (drawn Bondholders) loan recipients less all the working expenses of the Association shall be the net profit of the Association. The surplus amount of this net profit after allocating the profits to the Bondholders and Directors as per Articles 17 (c) and 52 and dividends to the Shareholders shall form the Reserve Fund of the Association.

89. *(a)* In places where the Provincial Boards are organized, the accounts with the Banks in their respective Provinces shall be operated upon by means of cheques signed by the Chairman of the Provincial Board and countersigned by the Chief Organizer and the Chairman of the Board or the Managing Committee of Directors.

93. The Personal Investment Fund (that is, the principal amount of bonds to be collected from the Bondholders) shall be invested entirely in the Government of Mysore or in any Indian or Foreign Government as permanent deposit at a fixed rate of interest. Until the Government or Governments begin to accept the deposits, the Personal Investment Fund shall be invested entirely in the Securities guaranteed by any of the said Governments.

SRI VENKATESWARA PRESS, MYSORE.

OM

# ARTICLES OF ASSOCIATION

OF

# All-India Mutual Aid & POOr Houses Association Ltd.

## I. CONSTITUTION OF THE ASSOCIATION.

It is agreed as follows:—

Association to be governed by these Articles and also Table 'A'

1. The Association is established with Limited Liability in accordance with, and subject to, the provisions of the Mysore Companies Regulation No. VIII of 1917. The Regulations for the management of the Association shall be such as are contained in the following Articles and also in the Table 'A' of the First Schedule to the said Mysore Companies Regulation so far as they are not modified by the following Articles.

## II. PRELIMINARY.

Interpretation clause.

2. The marginal notes hereto shall not affect the construction hereof and in these presents unless repugnant to the context or subject, expressions defined below and also in the Mysore Companies Regulation No. VIII of 1917 shall have the meanings so defined; words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine also, and words importing persons shall include bodies corporate.

'The Association' or 'This Association'

"The Association" or "This Association" means 'All-India Co-operative and Charitable Association Ltd." established under the Memorandum of Association to which these Articles are annexed.

These Presents or Regulations.

'These Presents' or 'Regulations' means and includes the Memorandum and these Articles of Association, and any modification or alteration thereof for the time being in force.

Shareholders or Members.

'Share-holders' or 'Members' means the duly registered holders from time to time of the Shares of the Association.

Directors.

'Directors' means the Directors for the time being of the Association or the Directors assembled at a Board as the case may be.

Board.

'Board' means a meeting of the Directors duly called and constituted.

Year.

'Year' means calendar year.

Acts.

'Acts' means the Mysore Companies Regulation No. VIII of 1917 and any statutory modification or alteration thereof for the time being in force.

## III. CAPITAL.

Amount of capital and minimum subscription.

3 The Capital of the Association, for the time being, shall be Rs. 1, 00, 000 divided into 2000 shares of Rs. 50 each and the minimum number of shares to be subscribed before the first allotment of shares and the commencement of the business of the Association shall be 200 shares of the nominal value of Rs. 10, 000.

Allotment of Shares.

4. The shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons, on such terms and conditions, and either at a premium or at par, and at such times, as the Directors think fit, and with full power to give to any person the call of any shares either at par or at premium, during such time, and for such concession as the Directors think fit.

Payment of Share Calls and sale of shares at a premium.

5. The Directors, unless they otherwise determine, shall, for the time being, call Rs. 50 fully per share and recover the same by instalments, that is, Rs. 2—8—0 with the application, Rs. 2—8—0 on allotment and the balance Rs. 45 by nine quarterly instalments of Rs. 5 each from the date of allotment; and the shares of the Association shall, unless otherwise determined by the Directors, be sold at a premium of Rs. 2-8-0 per share and the said premium shall be recovered with the application alone.

Commission for placing shares.

6. The Association may at any time pay a commission to any person for subscribing or agreeing to subscribe ( whether absolutely or conditionally ) for any shares in the Association, or for procuring or agreeing to procure subscriptions ( whether absolutely or conditionally ) for any shares in the Association, so that if the commission shall be paid or payable out of capital, the statutory requirements and conditions shall be observed and complied with and the commission thus payable shall not exceed 5 % on the nominal value of shares in each case subscribed or to be subscribed.

Forfeiture and revival of shares.

7. The Directors or any person authorized by them may forfeit any defaulting share or shares after giving thirty days' notice for the payment of allotment money or instalments due, and they or the said person may at any time before the said forfeited shares shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they or he thinks fit.

Issue of bonds to the shareholders and their participation in the Annual Drawings.

8. Every shareholder shall be entitled to a Personal Investment Bond of Rs. 50 per each share he holds, on payment of Rs. 2-8-0 per bond towards admission fee and cost of bond, but he shall be eligible to participate in the Annual Drawings only after he completes the payment of his full share amount. If any Shareholder wishes to participate in the said Drawings before that, he shall be required to pay the Personal Investment Department As. 4 per bond per month towards interest from the beginning of the calendar year in which he gets the bond until the end of the month in which he completes the payment of his full share amount. But no shareholder shall be entitled to the refund of the amount of bond or bonds issued in his favour and he shall never cease to be a bondholder as well as a shareholder.

Copies of the Memorandum and Articles of Association.

9. Copies of the Memorandum and Articles of Association shall be furnished by the Directors to every shareholder at his request on payment of their price not exceeding Re. 1 per each copy.

## IV. BUSINESS.

Place of business.

10. The Head Office of the Association shall be in the City of Mysore and the business of the Association shall be carried on there and at such other place or places within and beyond the limits of India, Burmah and Ceylon as the Board may deem advisable.

Nature and conduct of business.

11. Although the main business of the Association for the time being shall be to raise funds by issuing bonds under the Personal Investment Scheme of the Association, and to maintain Charitable Institutions out of a portion of interest accruable on the said Personal Investment Funds as mentioned hereinafter, yet the business of the Association shall include everything within the scope of the Memorandum of Association. Such business shall be carried on by or under the management and direction of the Board; and any act or thing; and any branch or kind of business which by the Memorandum of Association is either expressly or by implication authorized to be done; suffered or undertaken by the Association, may be undertaken by the Directors at such time or times and in such manner as they shall think fit.

12 Any number of series of one lakh bonds shall be issued by the Association in favour of those who are desirous of depositing Rs. 50 each with the Association free of interest, and the qualified holders of the said bonds shall be entitled to receive loans ranging from Rs. 1000 to Rs. 5000 without interest on their personal security, repayable in 100 monthly instalments of Rs. 10 per thousand, as determined by the drawings of every calendar year to be held on 31st January of the subsequent calender year, as explained below.

Issue of bonds.

Grant of loans by drawings.

**Example:**—If there will be 1,00,000 qualified bond-holders (in any series issued by the Association) on 1st January of a calendar year, the Association will have collected not less than Rs. 3,00,000 towards interest during the said calendar year either from the bond-holders themselves or by investing the fully paid-up bond amounts in the Government or in the Government Securities at a minimum rate of 6 per cent interest per annum. Out of the names of the said one lakh bond-holders, only one hundred names will be drawn in the drawings of the said year to be held on 31st January of the subsequent calendar year and the first and second drawn bond-holders will get loans of Rs. 5000 and Rs. 2000 respectively, while the remaining 98 drawn bond-holders will get loans of Rs. 1000 each, amounting in all to Rs. 1,05,000 and leaving a surplus of Rs. (3,00,000 less 1,05,000) 1,95,000 for being utilized for charitable and other purposes as mentioned hereinafter.

Example for holding drawings and distributing loans among the drawn bond-holders.

13. If the number of qualified bond-holders be less than one lakh on the first day of a calendar year, so many names as many thousands of qualified bond-holders as there will be on the said day shall be drawn in the drawing of that year and all the drawn bond-holders including the first and the second also shall get a loan of Rs 1000 each. If there be any part of one thousand, the last drawn bond-holder shall get a loan of so many hundreds of rupees as many complete hundreds of bond-holders as there will be in that part of one thousand as explained below.

Drawing when the number of bond-holders is less than one lakh.

**Example:**—If there will be 78,422 qualified bond-holders on the first day of a calendar year, only 79 names will be drawn as there will be one incomplete and 78 complete thousands. So, 78 drawn bond-holders will get a loan of Rs. 1000 each while the last (i.e. 79th) drawn bond-holder will get only Rs. 400 as there will be only four complete hundreds in that one incomplete thousand.

Example for the above.

14. Any person of sound mind, aged 18 or above, can take up any number of bonds in any series without any restriction of caste, creed or sex. Every bondholder shall pay Rs. 2-8-0 per bond with his application towards admission fee and cost of bond.

Eligibility for taking up bonds and payment of admission fee and cost of bonds.

15. In case a bondholder cannot pay the bond amount of Rs. 50 in lumpsum with his application, he shall be allowed to pay the same by instalments of not less than Re. 1 each, per month; but such bondholders shall pay an interest of As. 4 per month per bond until they complete the payment of Rs. 50. Both the abovesaid instalments and interest shall be paid on the first of each calendar month and the said instalment and interest shall commence to be paid from the month following that in which the allotment of bond will be made.

Payment of bond amount by instalments

16. If the monthly instalment and interest are not paid within the month in which they fall due, the bond shall lapse to the Association and the name of the bondholder shall be struck off, and the amounts paid thereon till then forfeited to the Association in case the same is not got revived by the bondholder within three months from the date of default, on payment of all arrears with a penalty of one anna per Rupee per month.

Forfeiture, Revival and penalty.

Eligibility of bond-holders to participate in the drawings.

17. (a) The bondholders who will have paid-up their bond amountsfully before 1st January and also those who have not completed the payment of their bond amounts before the said 1st January, but will have paid all the due monthly instalments and interest till the end of a calendar year without anything in arrears, shall be qualified to participate in the drawings of the said calendar year.

(b) Those persons that take up bonds subsequent to January in a calendar year and who pay interest at As. 4 per bond per month from 1st January upto the end of the month in which the bonds will be allotted to them shall also be qualified to participate in the drawings provided the monthly instalments and further interest on their bonds payable during the said calendar year will not be in arrears.

Deduction of balance bond amount out of the loan advanced.

18. If the name of any partly paid-up bond-holder is drawn, the balance amount due on his bond shall be deducted out of the loan amount to be paid to him.

Refund of bond amount to the bond-holders.

19. No bond-holder in any series shall be entitled to the refund of his bond amount until his bond is drawn, but he shall be allowed to adjust his bond amount out of the last instalments payable by him on account of the loan advanced to him.

Non-inclusion of the drawn bonds in subsequent drawings and when bond-holders cease to be such.

20. The bonds once drawn shall not be included in the subsequent drawings and the drawn bond-holders shall cease to be the holders of their bonds after they liquidate the loan amounts advanced to them.

Rights of the heirs of the deceased and other bond-holders.

21. The legal heirs of the deceased bond-holders or of those who become lunatic or of unsound mind shall have the same rights and privileges as if they had been original bondholders.

Security to be furnished by the drawn bond-holders if required by the Directors.

22. The Directors, before the grant of loan to any drawn bondholder, may, at their discretion, ask the said bondholder to furnish a personal guarantee of any respectable person for the repayment of the loan amount in case of the bond-holder's death before the repayment of the said loan amount, or to take up a life policy to the extent of the loan amount in his name in any Life Assurance Company approved by the Association on payment of the first year's premium and keep the said policy deposited with the Association as security for the loan amount advanced so that the unpaid loan amount may be adjusted out of the assured amount and the balance paid to the heirs or the nominees of the bondholder in case of his previous death, to avoid litigation which would otherwise arise.

When unpaid loan amount becomes immediately payable.

23. In case any bondholder, after the receipt of the loan amount, discontinues the payment of his instalments for three consecutive months or allows his policy deposited with the Association to lapse owing to the non-payment of his premiums on due dates, the unpaid loan amount shall become immediately payable by him to the Association.

Holding drawings in places other than the Head Office.

24. If there will be not less than 100 bondholders eligible for drawing in any Province or principal town, the Directors may, at their discretion, allow a drawing of the bondholders of that Province or the principal town to be held therein and the names of the bondholders of the said Province or the principal town as the case may be shall not be included in the drawings to be held at the Head Office of the Association if the drawing is held in the said Province or principal town. The examples given under Articles 12 and 13 shall apply to each of the said drawings held separately.

Opening branches in

25. After the Provincial Board is organised in a Province, the Directors

may open a Branch of the Association in the said Province under the management of the said Provincial Board subject to the control and supervision of the Directors. The Directors, if they deem it advisable, may even transfer the accounts of all the bond-holders in the said Province to the said Branch Office and authorize the Provincial Board to issue bonds from the said Branch Office alone.

other Provinces, transfering of bond-holders' accounts to the said branches and authorizing the issue of bonds by them.

26. The principal amount of bonds to be collected from the bond-holders shall form a separate fund called 'The Personal Investment Fund' and such fund shall be as absolute security for the bond-holders.

Personal Investment Fund and sole charge of the bond-holders thereon.

27. The bond-holders of the Association in a Province shall have a preferential lien on the funds collected and invested either in the Government of the said Province or in the securities guaranteed by the said Provincial Government.

Preferential lien of the bond-holders on the funds collected in each Province.

28. The Directors may, if they think it advisable, issue any number of series of bonds of higher or lower denomination and give the benefits to the holders of the said bonds proportionately.

Issue of bonds of higher or lower denomination with proportionate benefits.

29. The Directors may, whenever they deem it necessary, issue separate series of bonds for each Province, or community as they shall think fit.

Separate series for each Province or Community.

## V. CHARITABLE INSTITUTIONS.

30. The Directors shall start Charitable Institutions for feeding the disabled and nourishing the suffering poor at Mysore and also in each and every Province or Principal town throughout India, Burmah and Ceylon and 50 per cent. of the interest accruable on the bondholders' funds of the Association shall be exclusively utilized for the maintenance of the said institutions.

Where Charitable Institutions are to be started and how maintained.

31. If there will be any surplus out of the above said 50 per cent. interest after meeting the expenses of such institutions, the Directors may utilize the same for aiding the Educational, Medical, Religious and other similar charitable institutions as they think fit.

Surplus of 50 per cent. interest to be utilized for aiding Educational, Medical, Religious and other insitutions.

32. Fifty per cent. of the interest accruable on the funds to be collected from one lakh bondholders of the first series shall be exclusively utilized for aiding the Educational Institutions and Students' Homes to be established throughout India by His Holiness Sri Jagadguru Sivananda Rajendra Sivacharya Mahaswami of Rambhapuri, and the amount thus allotted shall be allocated by a Committee consisting of His Holiness as President and the Directors of the Association as the members of the said Committee.

Utilization of half of the interest accrued on the funds of the first series.

33. If there will be not less than 2,000 fully paid-up bondholders in a Province, District, Taluk or town, the Directors shall at once organize a Provincial or Local Board, as the case may be, in the said Province, District, Taluk or town and make necessary arrangements for starting a charitable institution therein as mentioned in Article No. 30. In case a charitable institution is so started in a Province, District, Taluk or town, 50 per cent. of the interest accruable on the funds of the bondholders in the said Province, District, Taluk or town shall be utilized exclusively for maintaining the charitable institution in the said Province, District, Taluk or town alone.

When charitable institutions to be started and how they are to be maintained.

## VI. MANAGEMENT OF BUSINESS.

34. Mr. M. L. Nagannah shall be and he is hereby appointed as the Chief Organizer of the Association in terms of the agreement, a draft whereof, is set out in the schedule hereto. He shall do everything necessary

Appointment of the Chief Organizer.

for the promotion, registration, formation and establishment of the Association, and also he shall have power to pay and charge to the Capital account all the legal costs, charges and expenses of and incidental to the same.

Association to enter into agreement and agreement to be sealed by the Association.

35. The Association shall enter into the abovesaid agreement with Mr. M. L. Nagannah and the Directors shall forthwith, after the incorporation of the Association, affix the seal of the Association to the said agreement. The Association is formed on the basis that the said agreement shall be entered into and every member of the Association, present or future, shall be deemed to have noticed the provisions of the agreement and to have assented to the terms thereof

Duties of the Secretary.

36. The business of the Association shall be carried on by the Secretary of the Association at Mysore in the name of the Association in the ordinary course, under the control and directions of the Chief Organizer, subject to the Regulations of the Association and bye-laws of the Board of Directors and all receipts signed by the Secretary shall be valid and sufficient to all intents and purposes. The Secretary of the Association shall cause all various disbursements made in carrying on the business of the Association with the previous sanction of the Chief Organizer and shall cause proper accounts kept of all the transactions of the Association. The Secretary, at the end of every calendar year, shall settle and adjust accounts of the Association with the Board and Auditors and shall make out a Balance Sheet and all the Returns and statements required by the Acts to be audited and signed as the Acts require.

Secretary to be in charge of the Head Office.

37. The Secretary shall be solely in charge of the Head Office of the Association and keep all books, documents, papers, accounts etc belonging to the Association in such form as the Chief Organizer directs. The Secretary shall also keep all letters signed by him and shall submit to the meetings of the Association and of the Directors and the Committee, requiring the attention of these bodies.

The Secretary to comply with the provisions of the Acts and Regulations of the Association.

38. The Secretary shall duly comply with the provisions of the Acts and the Regulations of the Association and he shall submit all the necessary returns to the Registrar as well as to the members of the Association then and there in due time in compliance with the said Acts and Regulations.

General Management in the hands of the Chief Organizer.

39. The general management of the business of the Association, subject to the control and supervision of the Directors, shall be in the hands of the Chief Organizer of the Association, who shall have power and authority on behalf of the Association, subject to such control and supervision, to do all other things usual, necessary or desirable in the management of the affairs of the Association or in carrying out its objects, and shall have power to appoint and employ, in or for the purpose of the transaction and management of the affairs and business of the Association, or otherwise for the purpose thereof, with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise, as he shall think fit, and from time to time to remove or suspend the Secretary, Managers, Officers, Chief Agents, Agents, Clerks and other employees as he shall think proper.

Chief Organizer to have power to sub-delegate.

40. The Chief Organizer shall be authorized to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him either by these Articles or by the Directors, and in particular, from time to time appoint an Attorney or Attorneys, for the management and transaction of the affairs of the Association in any specified locality, in such manner as he may think fit.

Endorsement of

41. All Government securities held by the Association, and requiring

the endorsement of the Association, shall be endorsed for and on behalf of the Association by the Secretary, the Chief Organizer and the Chairman of the Board of Directors. Cheques or orders for payment (including that of interest accrued on the Government Securities) given to the Association's bankers for collection, and requiring endorsement of the Association, may be endorsed, on its behalf, by the Secretary alone or such other officer authorized by the Board, and in case the said cheques or orders for payment are to be encashed, the same shall be signed by the Secretary and countersigned by the Chief Organizer.

bills etc.

42. The Chief Organizer shall act as the Superintendent of all the charitable institutions started and aided by the Association.

The Chief Organizer to be the superintendent of all charitable institutions.

## VII. GENERAL MEETINGS.

43 The General Meeting shall be held once at least in every calendar year at such time, not being more than 15 months after the holding of the last preceding General Meeting at such place in Mysore as may be determined by the Directors. Such General Meetings shall be called 'Ordinary Meetings' and all other meetings of the Association shall be called 'Extraordinary Meetings.' 15 clear days' notice at least shall be given to the members for every General Meeting, ordinary or extraordinary.

Ordinary and Extraordinary General Meetings to be held.

44. Five members present in person and entitled to vote, shall be a quorum for an Ordinary General Meeting while the quorum for an Extraordinary General Meeting shall be not less than ten members present in person and entitled to vote.

Quorum.

45. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting. If their be no chairman or if at any meeting, he shall not be present within half an hour after the time appointed for holding such meeting, or is unwilling to act, the Directors present may choose a Chairman, and in default of their doing so, the members present shall choose one of the Directors to be chairman, and if no Director be willing to take the Chair, shall choose one of their number to be Chairman.

Chairman of the General Meetings.

46. Where it is proposed to pass a special resolution, the two meetings may be convened by one and the same notice, and there shall be no objection to such notice as it only convenes the second meeting contingently on the resolution being passed by requisite majority at the first meeting.

Two meetings convened by one notice.

47. The accidental omission to give notice of any meeting to any of the members shall not invalidate any resolution passed at any such meeting.

Ommission to give notice.

## VIII. DIRECTORS.

48. Until otherwise determined by a General Meeting, the number of Directors shall be not less than 4 and not more than 7 excluding Bondholders' Representative. The subscribers of the Memorandum of Association shall be the first Directors of the Association. They shall continue as such until they resign or any others are elected in their place in the first or subsequent General Meetings subject to the provisions of any agreement between all or any of them and the Association.

Number of Directors and first Directors.

49. As soon as there will be 2,000 fully paid-up bondholders, the Directors shall apply either to the Government of Mysore or that of India for the appointment of a Bondholders' Representative on the Board of Directors to watch the interests of the bondholders. The said appointment may be made by the Government once in every year or otherwise as they shall think fit. The Bondholders' Repre-

Election of bondholders' representative by the Government to be on the Board and his remuneration.

sentative shall be entitled to the same privileges and remuneration as any other Director of the Association.

Power of Directors to appoint additional Directors.

50. The Directors shall have power, at any time, and from time to time, to appoint any other qualified person as a Director, either to fill up a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not, at any time, exceed the maximum number fixed.

Qualification of each Director and when the office of a Director to be vacated.

51. The qualification of a Director shall be the holding of at least 20 shares in the Association to the nominal value of Rs. 1000/-. The Office of a Director shall **ipso facto** be vacated if he ceases to hold the number of shares required to qualify him for office, or if he becomes a defaulter on account of non-payment of two instalments consecutively or if he is convicted for any offence involving moral turpitude.

Remuneration of Directors.

52. A Director shall be paid by way of remuneration for his services a sum of Rs. 25 for each meeting of the Board and a sum of Rs. 12-8-0 for each meeting of the Committee attended by him and all the Directors including Bondholders' Representative (if any nominated) shall, in addition, receive 10 per cent of the net profits of the Association every year to be divided equally among them. Until the business of the Association is commenced, the Directors shall not be entitled to any meeting fees and even after the business is commenced, they shall be entitled to only half of the meeting fees specified above till the whole capital of the Association is fully subscribed.

Travelling expenses of the Directors.

53. The Directors may allow and pay to any Director who is not a bona-fide resident of Mysore and who shall come to Mysore for the purpose of attending the meeting, such sum as the Directors may consider fair compensation for his travelling expenses in addition to his fee for attending such meeting as above specified.

Power of Director to retire.

54. A Director may retire from office after giving three months' notice in writing to the Association of his intention so to do, and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.

Who is to call the meeting of Directors and Committee of Directors.

55. The Secretary on the requisition of the Chief Organizer or of the majority of the Directors, shall at any time, summon the meeting of the Directors or of the Committee of Directors.

Quorum and number of meetings.

56. Unless otherwise determined by the Directors, the quorum of the meeting of the Board or the Committee of the Directors, shall be three. In a calendar year, the meetings of the Board shall not be more than two and those of the Committee shall not be more than twelve, except in emergent cases

Resolution without Board Meeting valid.

57. A resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

Appointment of the Committee.

58. The Directors shall appoint a Committee consisting of the Chief Organizer, the Bondholders' Representative ( if any nominated ) and two of the other Directors for conducting the business of the Association and all acts done by the said committee in conformity with the Regulation but not otherwise, shall have the like force and effect as if done by the Directors unless any of such powers are specifically restricted by the Board.

Powers and duties of the Committee.

59. The Directors may, from time to time, entrust to and confer upon the said Committee such of the powers exerciseable under these presents by the Directors as they may think fit and may confer such powers for such

time and to be exercised for such object and purposes and upon such terms and conditions, and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of, and substitution for, all or any of the powers of the Directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Meetings of the Committee.

60. The Committee shall in the exercise of powers so delegated, conform to any Regulations that may, from time to time, be imposed upon it by the Directors. The meetings and the proceedings of the said Committee shall be governed by the Regulations provided for conducting the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any Regulations made by the Directors.

Resolutions of the Committee requiring the approval of the majority of the Directors.

61. All the resolutions passed in a meeting of the Committee concerning matters of which powers are restricted by the Directors shall be circulated to all the Directors of the Association who are not members of the Committee for approval by post or otherwise and such resolutions as will meet the approval of the majority of them shall be given effect to.

Minutes of proceedings of the Association and of the Directors and Committee to be kept.

62. The Directors shall cause minutes to be made in books provided for the purpose,

1. of all the appointments of the officers and Committees made by the Directors;

2 of the names of the Directors present at each meeting of the Directors and of Committee of Directors;

3. of all orders made by the Directors and Committee of Directors;

4. of all resolutions and proceedings of General Meetings, and all meetings of the Directors and Committee.

Minutes of proceedings if signed by the Chairman shall be received as prima-facie evidence.

63. Any such minutes of any meeting of the Directors or of the Committee or of the Association, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall be received as prima-facie evidence of the matters stated in such minutes.

Secretary to send copies of resolutions of meetings to all the Directors.

64. The Secretary of the Association shall act as the Secretary of all the meetings of the Directors and of the Committee of Directors and he shall be in charge of the Minutes book. Copies of all resolutions and proceedings of every meeting of the Directors or of the Committee of Directors shall be sent to all the Directors of the Association within a week from the date of such meeting, and every copy shall be certified by the Secretary and the Chairman of the Meeting as true copy of the said resolutions and proceedings.

## IX. POWERS OF DIRECTORS.

Powers of Directors.

65. The Directors, in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Association, and are not hereby or by law expressly directed or required to be exercised or done by the Association in General Meeting; but subject, nevertheless, to the provisions of the said Act and under these presents, and to any Regulations from time to time made by the Association in General Meeting; provided that no Regulation so made shall invalidate a prior act of

the Directors which would have been valid if such Regulation had not been made.

Express powers of the Directors,

66. In furtherence and in not limitation of, and without prejudice to the general powers conferred by these Articles, it is hereby expressly declared that the Directors shall have the following powers, that is to say, power:—

to pay preliminary expenses.

(a) to pay and to charge to the Capital Account of the Association the Legal costs, charges and expenses of and incidental to the promotion, registration, formation and establishment of the Association,

to execute agreement.

(b) to execute or cause to be executed on behalf of the Association an agreement in terms of the draft thereof already prepared and purporting to be made between the Association of the one part and Mr. M. L. Nagannah of the other part, which draft is set out in the Schedule hereto,

to execute other agreements.

(c) to execute or cause to be executed on behalf of the Association an agreement or agreements with any person or persons for conducting and furthering the business of the Association upon the terms and conditions as they think fit,

to organize Provincial and Local Boards, Branches & Agencies.

(d) to organize Local and Provincial Boards, Branches and Agencies within and beyond the limits of India, Burma and Ceylon whenever the Directors deem it necessary, on such terms and conditions and also with such powers and duties as the Directors may, from time to time determine,

foreign business.

(e) to take all necessary steps for registering the Association in conformity with the laws of any foreign State or British Colony or Dependency and apply for and accept all statutes, laws or Decrees of the Government or authorities thereof necessary or expedient for enabling the Association to carry on business w thin the jurisdiction of such State or Colony or Dependency, and for the purpose of transacting business or of getting the advantage of business transactions abroad, to form and carry subsidiary company, English, Colonial or Foreign and to subscribe for or purchase and hold or dispose of the whole or any part of the capital of such company and to use any subsidiary company as Agency or Branch,

to pay expenses for formation of such companies,

(f) to pay out of the capital of any such company all fees, costs, charges and expenses which may be incurred, or sustained in connection with the promotion and registration of any such company, or in connection with any other matter relating thereto,

to appoint and remove officers and others.

(g) to appoint and at their pleasure to remove or suspend (subject to the provisions of any agreement between them and the Association) Secretaries, Managers, Officers, Local and Provincial Directors, Chief Agents, Agents, Clerks and other employees for permanent or temporary or special services as they may from time to time, think fit and to determine their powers and duties and fix their salaries or emoluments and to acquire security in such instances and to such amount as they think fit,

(h) to enter in the name and for the purposes of the Association into such contracts as they may, in the exercise of discretion, consider necessary, including the accepting, making and negotiating of bills of exchange, promissory notes or other similar obligations, — to enter into contracts

(i) to institute, conduct, defend, compromise and abandon any legal proceedings by or against the Association or its officers or otherwise, concerning the affairs of the Association, — to institute legal proceedings.

(j) to refer to arbitration any claims or demands of or against the Association or any differences between the Association or the Board and other persons, and to perform and observe the awards therein or to contest the same if thought expedient, — to refer to arbitration.

(k) to issue in their absolute discretion the whole or any part of the shares for the time being forming part of the capital of the Association as and when and subject to such terms and conditions and either at par or at such premium, and to such person or persons, to the exclusion of any other persons or class of persons as the Board, acting in pursuance of these presents, may deem it necessary, proper or expedient in any circumstances whatsoever,

(l) to purchase, hire, rent or otherwise acquire at any place whatever, such lands, houses and buildings, as they consider advisable for the purposes of the Association and to pull down, remove, alter and convert any such houses or buildings and to fit up and furnish, and insure against loss by fire all or any such houses or buildings with or without fittings and furniture, and to let or demise or give possession of, the whole or any part of the same whether fitted up or furnished or otherwise to such person or persons and upon such terms as to tenancy and occupation, as they consider advisable in the interests of the Association and the promotion of or carrying on its business,

(m) to let, mortgage, sell or otherwise dispose of any property of the Association either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit, and to accept payment or satisfaction for same in cash or in the Association debentures or in fully paid-up or other shares of the Association or partly in cash and partly in such debentures or shares or in such other manner as the Board deem expedient, — to mortgage and sell property.

(n) to buy or procure the supply of all plant, machinery, materials, stores, fuel, implements, apparatus, furniture and other moveable property required for the purposes of the Association, — to purchase machinery etc. for the use of the Association.

to raise or borrow money for the purpose of the Association on the mortgage of its property or any part thereof or otherwise, and either including any part of the capital of the Association paid or unpaid, and either on any bond or debenture payable to bearer or otherwise, or on any call or any of such securities and at such rate of interest and re- — to borrow money.

payable in such manner and generally upon such terms as the Board shall think fit,

to pay debts and claims.

(p) to pay and satisfy all debts due from and all liabilities of and claims and demands against the Association,

to delegate and sub-delegate powers etc.

(q) to delegate to any person or persons any of the powers, authorities and discretions vested in the Directors and also authorise him or them to sub-delegate,

to issue power of Attorney

(r) to appoint by power of attorney any person or persons to be the attorney or attorneys of the Association for such purpose and with such powers, authorities and discretions and for such period and subject to such conditions as the Directors may, from time to time, think fit,

to appoint Trustees.

(s) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Association in which it is interested or any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such Trustee or Trustees,

to authorize acceptance etc.

(t) to determine the person or persons who shall be entitled to sign on behalf of the Association bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents,

to give security by way of indemnity.

(u) to execute in the name of and on behalf of the Association in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Association, such mortgages of the Association's property, present and future, as they think fit and any such mortgage may contain the power of sale and such other powers, covenants and provisions as shall be agreed upon,

to invest funds of the Association.

(v) to invest the funds of the Association from time to time in any Government Securities, to vary such invesments and to execute all assignments, and tranfers, receipts and documents that may be necessary or expedient in that behalf,

to pay commission and profits.

(w) to give to any person employed by the Association a commission or share in the general profits of the Association on any particular business done by him such commission or share of profits being treated as part of working expenses of the Association,

to frame bye-laws.

(x) to make bye-laws in conformity with these Articles to provide for cases and conditions not provided for herein and

general.

(y) generally to do, sanction and authorise all such matters and things as may be necessary to be done in or about conducting the affairs of the Association or carry into effect all or any of the objects or powers of the Association as expressed in the Memorandum of Association, or in and about the execution of all or any of the powers hereinbefore conferred upon the Directors.

## X. SEAL.

The seal, its custody and use.

67. The Directors shall provide a common seal for the purposes of the Association, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Directors shall provide for the safe custody of the seal for the time being and the seal shall never be used except by the authority of the Directors or the Committee of Directors previously given.

Deeds.

68. All deeds, certificates or other instruments executed on behalf of the Association, shall be in such form and contain such powers, provisos, conditions, covenants, clauses and agreements as the Directors shall think fit and in addition to their being impressed with the seal of the Association, they shall be signed by the Secretary and counter-signed by the Chief Organizer or any other Director appointed by the Board; in case the said certificate, deed or instrument is in favour of either the Secretary or the Chief Organizer, it shall be signed by any two of the other Directors.

## XI. AUDIT.

Accounts to be audited annually.

69. Once at least in every calendar year the accounts of the Association shall be examined and the correctness of the Profit and Loss Account and the Balance Sheet ascertained by one or more Auditor or Auditors.

Audit provisions; rights and duties of auditors.

70. The Association, at each Ordinary General Meeting, shall appoint an Auditor or Auditors to hold office until the next Ordinary General Meeting and their remuneration, rights and duties shall be regulated by Sections 144 and 145 of the Mysore Companies Regulation.

Audit of accounts by the auditor appointed by the Government.

71. As soon as the Association secures 2,000 fully paid-up bondholders, the Directors shall apply to the Government of Mysore for the appointment of an auditor on behalf of the bondholders for auditing the accounts of the Association in addition to their being audited by the Auditor appointed by the Shareholders. If the Government appoints such an auditor, such remuneration as the Government direct, shall be paid to him by the Association.

When accounts to be deemed finally settled.

72. Every account of the Directors when audited and approved by the General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered, within that period, the accounts shall forthwith be corrected and thenceforth shall be conclusive.

Destruction of records relating to the period previous to 3 years.

73. The Secretary, at the end of every calendar year may, with the previous sanction of the Board, destroy files of correspondence, vouchers and other papers which will be relating to the period previous to three years and also not required for any future reference they being unnecessary and unimportant.

## XII. NOTICES.

How notices are to be served on members.

74. The notice may be served by the Association upon any member, either personally or by sending it through the post in a prepaid card, letter, envelope or wrapper, addressd to such member at his registered place or address.

Members residing abroad.

75. Each holder of registered shares whose registered place of address is not in India, Burma or Ceylon, may from time to time, notify in writing to the Association an address in India, Burma or Ceylon, which shall be deemed his registered place of address within the meaning of the last preceding clause.

Notices where no

76. As regards those members who have no registered place of address

in India, Burmah and Ceylon, a notice posted up in the Office shall be deemed to be well served on them at the expiration of 24 hours after it is posted up.

Notice to joint-holders.

77. All notices shall, with respect to any registered shares to which persons are jointly entitled, be given to whichever of such persons is first named in the register and notice so given shall be sufficient notice to all the holders of such shares.

When notice by post deemed to be served.

78. Any notice sent by post shall be deemed to have been served on the day on which the card, letter, envelope or wrapper containing the same is posted and in proving such service, it shall be sufficient to prove that the card, letter, envelope or wrapper containing the notice was properly addressed and put into the post office. A certificate in writing signed by the Secretary, Manager or other officer of the Association that the card, letter, envelope or wrapper containing the notice was so addressed and posted shall be conclusive evidence thereof.

e by advertisement in newspapers.

79. The Notice of the General Meeting whether ordinary or extraordinary, may be given to the members by advertisement only once in two daily newspapers one of which should be a local newspaper and the other should have publication in British India. If the notice is so given by advertisement the notice shall be deemed to have been served upon the members on the day the said notice will be published in the said papers.

Transferees etc. bound by prior notice.

80. Every person who, by operation of transfer, or other means what soever, shall become entitled to any share, shall be bound by every notice in respect of such shares which, previously to his name and address being entered in the register, shall be duly given to the person from whom he derives his title to such share.

Notice valid though members deceased.

81. Any notice or document sent by post to, or left at the registered address of, any member, in pursuance of These Presents, shall, notwithstanding such member being then deceased, or whether or not the Association has notice of his decease, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder thereof, and such service shall for all purposes of These Presents be deemed sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any, jointly interested with him, in any such shares.

How notice to be signed.

82. Any notice to be given by the Association shall be signed by the Secretary or by such other officer as the Directors may appoint and the signature thereto may be written, printed or lithographed.

## XIII. DIVIDENDS AND RESERVE.

Payment of dividends to shareholders

83. The Shareholders shall be entitled to the dividends out of the profits of the Association provided they will have paid up their full share amounts before the end of the year for which the dividends will be declared.

Unclaimed dividends

84. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Association until claimed and all dividends unclaimed for three years after having been declared, may be forfeited by the Directors for the benefit of the Association.

Reserve Fund.

85. The surplus amount of interest accrued on the bondholders' fund (after transferring the prescribed amount to the Drawing and Charity Funds

as herein-before mentioned) every year, plus the admission fees, cost of bond and penalty payable by the bondholders as also the amount of loans re-payable by the drawn bondholders, less all the working expenses of the Association and the dividends payable to the Shareholders shall be the Reserve Fund of the Association.

When Charity Fund can be appropriated for working expenses.

86. If in any year the working expenses of the Association exceed the surplus amount of interest and other incomes of the Association as mentioned in the last preceding Article, the Directors shall appropriate a portion of interest amount transferable to the Charity Fund for that year so as to cover the expenses incurred in excess during that year in case they find that the same cannot be met out of the existing Reserve Fund.

Appropriation of forfeited shares and bonds amount.

87. Till the preliminary expenses are entirely written off, the amount of forfeited shares and bonds shall be transferred to the Profit and Loss Account of the Association while the same shall be transferred to the Reserve Fund of the Association thereafter. The transfer of the forfeited shares amount shall be effective only after the shares so forfeited are re-issued by the Association.

Appropriation Reserve Fund.

88. The Directors may, from time to time, apply the Reserve Fund, if any, or such portion thereof as they think fit, to meet contingencies or losses or for equalizing dividends or for repairing and maintaining buildings and premises of the Association or any part thereof or for any purpose of the Association which they may, from time to time, deem expedient.

## XIV. INVESTMENT OF FUNDS.

General Banking accounts.

89. The Directors shall cause the banking account or accounts of the Association to be kept in the name of the Association with such bank or bankers as the Directors from time to time, determine and every sum paid on behalf of the Association amounting to Rs. 100 or upwards (except payments made from suspense account) shall be paid by cheque drawn on the bank or bankers of the Association and signed by the Secretary of the Association and countersigned by the Chief Organizer and the Chairman of the Board of Directors.

Suspense Account with the bank.

90. The Directors may, if they think fit, open an account with the local bankers of the Association to be called the Suspense Account and may place a sum not exceeding Rs. 1000 to the credit thereof and may authorize the Secretary and the Chief Organizer alone to operate on such account for the purposes of the Association and the Board shall, at each of their Meetings, examine and audit the suspense account and may, if they think fit, replace the amount which has been drawn from that account or so much thereof as they deem expedient by transferring to that account from the General Funds of the Association a sum equal to the amount which has been so drawn out or by such other means as they think fit.

Authority of Board for payment.

91. No payment other than payment from the Suspense Account shall be made without the authority of the Board or the Committee of the Directors

Investment of paid-up capital.

92. The paid-up capital of the Association shall be invested entirely in the Personal Investment Department of the Association and the said Department shall issue Personal Investment Bonds in favour of the Shareholders in lieu of the Share amounts to be invested therein so that the shareholders also may enjoy the privileges of the bondholders as mentioned in Article No. 8.

Investment of personal Investment Funds.

93. The Personal Investment Funds (that is, the principal amount of bonds to be collected from the bondholders) shall be invested entirely and also

perpetually either in the Government of Mysore or in either Indian or Foreign Government at a minimum rate of six per cent. interest per annum. In case no Government is willing to receive the abovesaid funds as perpetual deposit at the abovesaid rate of interest, the said Personal Investment Funds shall be invested entirely in the securities guaranteed by any of the said Governments.

Appointment of Official Trustee or Trustees, and the Government securities to be kept in safe custody.

94. If the Government securities are purchased by the Association as mentioned in the last preceding Article, they shall be held for safe custody by an Official Trustee or Trustees appointed for the purpose by either the Government of Mysore or any other Government, either Indian or Foreign or both.

Government Securities to be deposited with the Bankers of the Association.

95. Till the Official Trustee or Trustees are appointed by the Government, all the Government securities purchased by the Association shall be kept deposited with the Bank or Bankers of the Association for safe custody.

Funds invested in and Official Trustee appointed by Local Governments.

96. If there will be not less than 2,000 fully paid-up bondholders in any Province, the Directors may invest the funds collected from the bondholders in the said Province either in the said Provincial Government or in the Securities guaranteed by such Government and they may allow the said Government Securities to be held for safe custody by an Official Trustee appointed by the said Government alone

Investment of Reserve Fund.

97. The Reserve Fund of the Association together with interest accruable thereon shall be utilized in purchasing or constructing buildings for the Head Office, Chief Agency Offices and Charitable Institutions of the Association and the surplus Reserve Fund, if any, shall be invested in such securities as are determined by the Board from time to time.

## XV. INDEMNITY AND RESPONSIBILITY.

Directors' and others' rights indemnified.

98. Every Director and other Officer or servant of the Association shall be indemnified by the Association against, and it shall be the duty of the Directors, out of the funds of the Association to pay all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or deed done by him as such officer or servant, or in any way in the discharge of his duties, including travelling expenses and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Association and have the priority as between the members over all other claims.

Not responsible for acts of others.

99. No Director or other officer or servant of the Association shall be liable for the acts, proceeds, neglects or defaults of any other Director or officer or servant or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Association through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Association or for the insufficiency or deficiency in any security to or upon which any of the monies of the Association shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by an error of judgment oroversight on his part, or any other loss, or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

## XVI. SECRECY CLAUSE.

Secrecy Clause.

100. Every Director, Auditor, Secretary, Officer, servant, agent, accountant or other person employed in the business of the Association shall,

before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Association with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Directors or by any meeting, or by a Court of law, or by the person to whom such matters relate, and except so far as may be necessary in order to comply with any of the provisions contained in These Presents.

# SCHEDULE.

(Draft agreement referred to in clause No. 3 (n) of the Memorandum and Articles Nos. 34, 35 & 66 (b) of the Articles of Association)

This Agreement made and entered into this day of 1926 between the All India Co-operative and Charitable Association Ltd., an Association registered under the Mysore Companies Regulation No. VIII of 1917 and having its Registered Office situate in Mysore (hereinafter called 'the said Association') of the one part and Mysore Lingannah Nagannah residing in Old Agrahar, Krishnaraj Mohallah, Mysore (hereinafter called 'the said Mr. M. L. Nagannah') of the other part, WITNESSETH THAT

Whereas it is provided in the Memorandum and Articles of Association of the said Association that the said Mr. M. L. Nagannah shall be the Chief Organizer of the Association and the Directors of the said Association are authorized by the said Articles of Association to execute or cause to be executed on behalf of the Association, this present agreement and whereas the said Association was registered on the day of 1926, it is hereby mutually agreed by and between the parties hereto and their successors and assigns in manner following, that is to say:—

1. The said Mr. M. L. Nagannah, his successors and assigns shall be the Chief Organizers of the said Association for a period of 25 years from the date of the registration of the said Association and thereafter until they of their own free will resign; and it is expressly agreed and declared by and between the parties that the appointment of the said Mr. M. L. Nagannah as such Chief Organizer shall not, during the continuance of this agreement, be revoked or cancelled on any ground or for any reason whatsoever save and except upon his being found guilty of fraud upon the said Association, by a competent Court of Law.

2. The remuneration of the said Mr. M. L. Nagannah, as such Chief Organizer shall be as follows:—

   (a) From and after the commencement of the business of the said Association, an allowance of Rs. 100 per mensem and from and after the date when the capital of the said Association will be fully subscribed, an allowance of Rs. 200 per mensem or such other larger sum as may, from time to time, be fixed by the Directors as Office allowance.

   (b) A commission of 1 per cent on the nominal value of shares and Personal Investment Bonds allotted by the Association on receipt of the application moneys.

   (c) A commission of 2½ per cent. on the interest realized by the Association on its invested Funds and from its bond-holders.

   (d) A commission of 2½ per cent. on the amount of instalments re-paid to the Association by the drawn bondholders on account of the loans granted to them.

3. If the said Association shall, at any time hereafter, carry on any business other than the Personal Investment business, the said Mr. M. L. Nagannah shall be paid such further remuneration as the Directors may deem fit.

4. The said Mr. M. L. Nagnnah shall be at liberty to canvass any business of the Association in any part of the world and not only he, on the business done by his own exertion, shall get full commission and bonus payable to the Chief Agents of the Associa-

tion on such business, apart from that mentioned in clause 2 (b) of this agreement but also none else shall have any right to claim any over-riding commission on the business done by him.

The head-quarters of the said Mr. M. L. Nagannah shall be in the city of Mysore and if he goes outside the Mysore city on account of the business of the Association i. e. either for organizing new Agencies and Branches or for inspecting the old ones, he shall be entitled to single second class railway fare for himself and single third class railway fare for his servant together with a bata of Rs. 5 per day for the number of days he stays outside on account of the business aforesaid.

Subject to the control and supervision of the Directors, the said Mr. M. L. Nagannah shall have the general conduct and management of business and affairs of the Association and shall exercise all the powers vested and to be vested in him either by the Association or by the Directors. He shall have power and authority on behalf of the Association subject to such control and supervision of the Directors, to enter into all contracts and to do all other things, usual, necessary or desirable in the management of the affairs of the Association or in carrying out its objects, and he shall have power to appoint and employ in or for the purposes of the transaction and management of the affairs and business of the Association or otherwise for the purpose thereof, Secretary or Secretaries, Manager or Managers, Officers, clerks and other employees with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise as he shall think fit, and to remove or suspend such Secretaries, Managers, Officers, clerks and other employees as he shall deem necessary.

The said Mr. M. L. Nagannah shall continue as a Director and also one of the members of the Committee of Directors of the Association as long as he continues to be the Chief Organizer of the Association and he shall not be subject to any rotation.

In the event of the said Association being wound up at any time for the purpose and with the object of transferring its business to another company, the said Association shall make it one of the terms and stipulations of their agreement for the transfer of their property and business to such other company as aforesaid that such other company shall appoint the said Mr. M. L. Nagannah to be the Chief Organizer of such new company and with like powers and authorities to the said Mr. M. L. Nagannah and on the same terms and conditions as to remuneration, emoluments and otherwise as are herein contained; it is hereby expressly agreed and declared that save and except with such commission and stipulation as one of the sale and transfer thereof, the said Association shall not sell and transfer their business to any other company.

In witness whereof, the common seal of the All India Co-operative and Charitable Association Ltd. and the hand of the said Mr. M. L. Nagannah hereunto affixed the day, month and year above-written.

The common seal of the All India Co-operative and Charitable Association Ltd. has been hereunto affixed and Mr..... has subscribed his signature to this agreement for and on behalf of the said Association pursuant to the resolution of the Board of Directors passed at a meeting of the Board held on.....1926.

In the presence of:—

OFFICE OF THE SECOND MEMBER OF COUNCIL
28 FEB. 1927
No. M-334-5

GEN. & PT. [illegible]
DEVELOPMENT BRANCH.

5278.
5366.

From 5373

The Chief Organizer
All-India Mutual Aid & Poor Houses Association Limited.
MYSORE.

To J.S. 16-26-R

K. Chandy, Esq., B.A.,
First Member of Council to the Government of His Highness the Maharaja of Mysore,
BANGALORE.

No. 2098-2101 Encls: 8

Dated 25 FEB 1927

---

Dear Sir,

With reference to the ---- abovesaid Association, we beg leave - to bring the following facts to your kind notice and request the favour of the Government issuing a favourable - order at their earliest convenience.

As the undersigned wanted to start the abovesaid Association at Mysore with an object of starting --- POOR HOUSES for feeding the disabled and and nursing the suffering poor in all the principal towns throughout -- India, Burmah and Ceylon, he submit-- ted the Memorandum and Articles of -- Association to the Registrar of Joint Stock Companies in Mysore, Bangalore, on 22nd May 1926 for the first time - for incorporation in accordance with Section 22 of the Mysore Companies -- Regulation No.VIII of 1917. As the Registrar after thorough scrutiny --- thought that the abovesaid documents

Please Instruct D. 2nd Mr. 26/2/27

Please See points underlined the petition.

I think the Regr has been asked to issue Business Commencement Certificate. I do not know why he has not issued it. May be referred to the Regr.

2. We have nothing to do with this. The company should may or may not open an acct. We need not take any notice of this point.

3. It is not clear why Regr has not complied with this request. Regr may be referred to him.

4. I do not know in what circs this enquiry was made. No instructions were issued by us. We need not take any notice of this point.

5. We are not concerned with this; it may or may not be a letter

6, 7, & 8. The Regr may be referred to the previous Communique where we have said that Govt do not propose to comply with this request

9 & 10. Please say that Govt regret that they are not prepared to comply with the request.

27.2.27 28.2.27.

documents required some amendments, we had to resubmit the same --- finally on 26th June 1926 after making necessary amendments strictl in accordance with Law and also the instructions of the Registrar - and consequently, the Registrar was pleased to register the said -- documents and issued the Incorporation Certificate of the Associati on 8th July 1926 in compliance with Sections 22 and 23 (1) of the - Mysore Companies Regulation. For your kind perusal, we have enclo ed herein the amended copies of the Memorandum and Articles of Asso ciation as also that of the Incorporation certificate.

After the Incorporation of the Association, as required by Section 92 (2) of the Mysore Companies Regulation, we filed copies c the English and Kannada prospectuses of the Association for the -- first time on 10th August 1926 after complying with the requirement of Section 93 of the Mysore Companies Regulation. As the Registr after careful scrutiny found that the requirement of Sub Section - 1 (k) of Section 93 of the Mysore Companies Regulation had not bee properly complied with and also some other amendments especially as regards the appointment of the Bondholders' Representative and an --- Auditor by the Government were necessary, we had to refile with the Registrar for the last time on 1st November 1926, the said copies of the prospectuses after amending the same strictly in accordance with Law as also with the instructions of the Registrar to the very letter.

As the Registrar delayed acknowledging the receipt of the --- copies of the amended prospectuses, we had to send a reminder on 6th; November 1926 requesting him to acknowledge the copies of the prospec- tuses but to our great surprise and disappointment, he (the Registrar) instead of acknowledging and filing the said copies of the prospectus- es wrote to us in his letter No.870 dated 9th November 1926 to say -- that the question of filing the same was receiving his attention and we should not publish the prospectuses till the receipt of his intima- tion for his having filed the prospectuses. But, as the Directors -- saw that as per Section 92 (2) of the Mysore Companies Regulation, we had only to file copies of the prospectuses with the Registrar on or - before the date of their publication but not to wait for either the --

the acknowledgment or intimation of the Registrar for his having -- filed the prospectuses, they (the directors) in their meeting held - on 6th November 1926 passed a Resolution that the Association should publish the prospectuses without waiting for the Registrar's acknowledgment or intimation, as the said prospectuses had been amended -- strictly in accordance with Law and the instructions of the Registrar For your kind information, we have enclosed herein a copy of the --- Registrar's letter dated 9th November 1926 and that of the Directors Resolution passed on 6th November 1926.

Subsequently, as we had received applications for more than - the required minimum number of shares, the directors had to allot -- the said shares to the applicants on 6th November 1926 in compliance with Section 101 of the Mysore Companies Regulation. As we did --- comply with all the conditions mentioned in Section 103 (1) of the - Mysore Companies Regulation including the allotment of the minimum - number of shares, we submitted to the Registrar on 30th November 19 the duly verified Declaration of the undersigned for having complied with all the said conditions as required by the said Section and requested him (the Registrar) to issue and send us the Business Commencement Certificate in compliance with Section 103 (2) of the Mysore Companies Regulation. But, the Registrar in his letter No.921 ---- dated 3rd December 1926 wrote to us to say that he could not take an action in the matter (i.e., in the issue of the Business Commencemen Certificate) until the question relating to the filing of the pros-- pectuses was decided. For your kind information, we have enclosed herein a copy of the Registrar's letter.

So, we, in our letter No.1805 dated 6/8th December 1926 ---- pointed out to the Registrar that in all matters connected with the - Registration, Formation and Promotion of the Joint Stock Companies -- in Mysore, both the Registrar and the said Companies should be guided by the Mysore Companies Regulation and its provisions strictly adhered to as the same were mandatory but not discretionery and as such he (the Registrar) could not defer the filing of the prospectuses and -- delay the issue of the Business Commencement Certificate on that ----

that ground, in the absence of any provision in the Mysore Companies Regulation to show that the filing of the prospectus and the issue of the Business Commencement Certificate were at the discretion of the Registrar contrary to Sections 92 (2) and --- 103 (2) though the provisions contained in Sections 93 and ---- 103 (1) had been strictly complied with respectively. We ---- further requested the Registrar in the same letter to kindly let us know if we were wrong in any way either legally or morally - and assured him that we would rectify the defects if any immediately on hearing from him. To our great misfortune, the Registrar has not been pleased either to issue the Business Commencement Certificate or/to let us know the reasons for the delay in --- issuing the same upto now, in spite of our repeated reminders, - though it is more than three months and a half since the copies of the prospectuses were filed finally with him and two months - and a half since the verified Declaration before commencing ---- business was submitted to him. For your kind information, a -- copy of our letter No.1605 dated 6/8th December 1926 is enclosed herein.

In addition to this, you know that in compliance with - the provisions made in the Memorandum and Articles of Association we have to invest all our funds entirely in the Government or --- Governments or in the Securities guaranteed by the said Govern--- ment or Governments. Until necessary arrangements are made with either the Government of Mysore or that of India either for ----- accepting our funds perpetually as permanent deposit or for ----- appointing an Official Trustee to hold the Government Securities of the Association in his Safe custody, we wanted to invest our - funds in the Bank of Mysore Ltd,. and consequently applied to the Manager of the Bank to open a current account in the name of the Association, To our great surprise, the Bank refused to open - the account as requested though the Manager of the Mysore Branch had recommended and the Chairman of the Bank had said that there could be no difficulty in opening the account and he would ask --

ask the Manager to do so. On personal enquiry, the undersigned was told by the Chairman of the Bank that the Bank could not ---. open the account in the name of the Association as per instruc-- tions given by a high functionery of the Government, whose name he would not give.

So, we had to apply to the Imperial Bank of India, Madras for opening an account and receiving our funds. The said Bank - was pleased to open an account in the name of the Association but wanted a copy of the Memorandum and Articles of Association duly certified by the Registrar before it could open. We therefore - submitted a stamped copy of the said Memorandum of and Articles - of Association to the Registrar with our letter No.857 dated 24th September 1926 for being certified and returned by him as per --- Section 248 (3) of the Mysore Companies Regulation. To our ---- great misfortune, though it is nearly five months since it was -- sent to the Registrar, he would not either certify and return the copy or let us know the reasons for the delay in so certifying in spite of our repeated reminders. In the meanwhile, on or about the 21st September 1926, the District Magistrate, Mysore District, sent for the undersigned and made him understand that the Govern- ment considered our scheme to be a lottery and he (the undersign- ed) would run the risk of being prosecuted by the Government in - case the Association was not closed. But, the undersigned could not be discouraged as he had been perfectly convinced of the ---- legality of the scheme. In these circumstances, you will see -- that the Government instead of giving due encouragement to this - indigenous concern especially in consideration of its having been started with an object of relieving the distress of the suffering humanity, are placing all sorts of impediements in the way of the Association for checking its progress. Consequently, the Associ- ation is incurring a heavy loss ever since it was incorporated as it cannot ~~continue~~ commence its business without Business Commencement --- certificate but is to meet the Establishment charges for no busi- ness whatsoever. No doubt, the undersigned is not getting any-- thing

anything in form of allowance nor will he get the same even -- after the commencement of business until the Association begins to make profits. The same case with the directors also as they are working honorarily for the Association.

To add insult to injury, the Publicity Officer to the - Government of Mysore, has issued a Press Communique on the 4th and 5th instant purporting that the provisions made by the ---- Association in its Memorandum and Articles of Association are - unauthorized and the Government are not inclined to patronize - the Association, and the said Communique has been published by all the English and Vernacular Newspapers in the Mysore Province as also in many leading Newspapers outside. As the said Com-- munique has naturally left an impression in the minds of the --- public that the provisions referred to in the same have been --- made by the Association with an object of defrauding its constituents but not of safeguarding them, it is needless to say that the Communique has been a death blow to the progress of the ---- Association. As mentioned in the enclosed copy of the rejoinder sent by us for publication in some Mxx of the Newspapers in - response to the abovesaid Communique, you will see that the ---- notions of the Government are incorrect and they ought to have decided the matter and issued the Communique in case they could not be satisfied with our explanations and the honesty of our - purpose.

In this connection, we have to impress upon your mind that whenever a Company is to be started, according to Company - Law the objects of the Company should be stated in its Memorandum and the rules and regulations for the conduct of its busi-- ness should be stated in its Articles while the prospectus ---- should contain all the objects of the Company and the important particulars mentioned in the Articles. In the same way, as it ~~it~~ was our object that either the funds of the Association --- should be entirely and permanently invested in the Government -

Government or Governments, or the funds should be invested in the Government Securities and the said Securities should be - held for safe custody by an Official Trustee or Trustees to - be appointed by the Government or Governments, this had to -- find a place in the Memorandum and Articles as also in the -- prospectus. As regards the provision for the appointment of a Bondholders' Representative and an Auditor by the Government, the same had to be made in the Articles for the honest conduct of the business and it had to find a place in the prospectus - also. It is not possible even to imagine for a moment by anybody ~~xxxxxxxxxx~~ that these provisions were made to the advan-- tage of the promoters but on the other hand, anybody can understand that the same has been made for ensuring the safety of - the constituents of the Association and the perpetual running of the Institution.

As mentioned in the beginning of this letter, all the abovesaid three documents were thoroughly scrutinized by the Registrar and amended as per his instructions. If the - Government had wanted to make any further amendments, we would have readily made them. Moreover, the undersigned was prompted to start this Association as he saw that the poor and helpless that are in distress in good number both in the Mysore -- Province and elsewhere were not being taken care of either by the Government or by the public and that there could not be -- any real and better worship of God other than to alleviate the misery of such suffering people. So, at the time of the ---- incorporation of the Association, we never suspected that the Government would take the matter in the light in which they -- have taken now but on the other hand, we really thought that - the Government would welcome such provisions as they are in the interest of the public at large and patronize the Association as the work that ought to have been taken up by the Government itself was to be undertaken by the Association.

Apart from the fact that the Charity to be undertaken by the Association is of the best kind and a perpetual one, the scheme devised for fulfilling the objects of the Association is based on the soundest possible principles without there being absolutely no risk or speculation whatsoever. As explained in the enclosed prospectus, the working of the scheme is briefly this. Every person desirous of partaking of the benefit of the charity to be done by the Association is to keep a sum of Rs.50/- deposited permanently with the Association free of interest by paying the said amount either in a lumpsum or by 50 monthly instalments of Re.1/- each. The Association will in its turn invest the said deposit amounts for interest in the Government or its Securities entirely and permanently. Out of the interest the Association gets from the Government on this investment, one half will be exclusively utilized for maintaining the Poor Houses. Out of the other half, two-thirds will be utilized for granting loans to the abovesaid deposit-holders without any interest repayable in 100 monthly instalments of Rs.10/- each per Rs.1,000/- and the remaining one-third plus the amount of instalments to be recovered from the loan recipients plus admission and other fees less all the working expenses of the Association will be the net profit of the Association every year. Out of this net profit, 50% will be distributed among those Bondholders who will not have received loans while the remaining 50% will be utilized ~~among those Bondholders who will not have received loans~~ for payment of dividends to the Shareholders, creating Reserve Fund and profits to Directors.

According to our rules, as soon as there will be 2,000 Bondholders throughout India, Burmah and Ceylon, a Poor House will be started at Mysore and as soon as there will be 2,000 Bondholders in any Province, District or principal town, a Poor House will be immediately started therein. Because, if there will be 2,000 Bondholders in a particular locality, the Association

Association will have collected Rs.1,00,000 from these persons and gets Rs.6,000 interest by investing the said Rs.1,00,000 - either in the Government or in the Government Securities at an average rate of interest of 6% per annum. As 50% of interest that accrues on the Bondholders' money, is to be exclusively - utilized for maintaining Poor Houses, 50% of Rs.6,000 interest i.e., Rs.3,000 can be utilized for maintaining the Poor House to be started in that locality. As this Rs.3,000 works out - at Rs.250/- per month, 50 sickly and disabled persons at least can be fed in the said Poor House every day. Out of the remaining Rs.3,000 interest, two loans of Rs.1,000/- each amounting to Rs.2,000/- will be granted to two Bondholders every year as determined in the drawings to be held in that locality itself. Of course, the balance Rs.1,000/- interest, plus the amount of - instalments to be recovered from the loan recipients, plus ----- admission etc., fees less the working expenses will be the net - profit of the Association and this net profit will be utilized - as abovesaid. It is needless to say that when the people of a particular locality see that the charity is done in their very -- presence and some of them alone get loans on their personal security without any interest, they of their own accord will come -- forward and contribute to the fund of the Association. When -- the number of Bondholders increases, the interest that accrues - on the Bondholders' fund will necessarily increase and the number of persons to be fed in the Poor House to be started in that ---- locality will be proportionately more. As it is not a difficult - thing to secure 2,000 Bondholders in a principal town and the --- Association will have organized Provincial, District and Local - Agencies throughout India, Burmah and Ceylon, we are confident - that the Poor Houses will have been started in all the principal towns throughout the abovesaid places in course of a few years. -

The only legal and moral objections that can be raised are that our scheme amounts to a lottery in as much as the loans

loans are granted by means of drawings and those Bondholders who get loans earlier are benefitted more than those who get later - as the latter are to wait even for hundreds of years. In the - first place, mere holding a drawing does not make our scheme a - lottery according to Section 294 (a) of the I.P.C. as we hold -- drawings only for the grant of loans but not for any distribu--- tion of prizes. Supposing we do away with the drawing, the --- position as regards the grant of loans will not be bettered in - the least while on the other hand not only it would be very diffi. cult ~~to~~ for the Directors to determine the nues of the persons to whom the loans are to be granted as the number of loans to be granted every year will be limited and all the Bondholders will be equally anxious to get the loans simultaneously but also the honesty of -- the Directors will be suspected and they will be ~~abused~~ accused of favour atism or partiality. You will therefore see that the object of holding the drawings is to determine the names of the persons to whom the loans are to be granted in order to save the Directors - from unpleasantness and critisisum as abovesaid but not to benefi a few and make many lose which is the jist of the offence owing t the fact that Bondholders who get loans once will not be entitled to get loans again as per rules and consequently all the Bondhold- ers will be entitled to loans in their turn one year or another a determined in the drawings. Even this (to benefit a few and mak many loose) is overlooked in case of Companies started for mutual benefit. For instance, in an Insurance Company ~~of~~ the heirs of the -- Policyholders who die earlier will be gainers whereas those Policy holders who survive the period will be losers as the interest ---- earned by the Company on the premium amounts ~~made~~ paid by the latter -- will make up the bonus arounts payable to the former. From this, it is clear that our scheme does not at all come under the catagor of a lottery as not only the benefit is mutual but also there will be none who will be losers in any way. Even from the moral point of view nothing can be said against our scheme. Because, 50% of the net profits of the Association will be distributed only among

among those Bondholders who will not have received loans and -- consequently the Bondholders who will have got loans will not be entitled to any profits. So, the Bondholders of the Association will have alternate benefits of either getting loans without any interest or having profits.

From the above, you will see that our scheme is free --- from all sorts of objectionable features and it is also practi-- cally workable as the amount to be contributed by each person is within the reach of both the poor and the middle class people. - As the Association will have solved the bigger problem which the Government had to solve, the Government cannot but consider that the Association is worth patronizing and deserves every possible help the Government can render. We know that the Government -- are receiving Charitable Endowments as permanent deposit at a -- fixed rate of interest. When our Association is a charitable concern, there can be no difficulty for the Government to accept our funds perpetually as permanent deposit. Of course, we know that the Government are not allowing 6% interest per annum on -- the Charitable Endowments but as the work undertaken by the ---- Association is that which ought to have been undertaken by the - Government, the Government can allow 6% interest on the funds of the Association as a special case. If the Government cannot -- find its way to accept our funds as permanent deposit at 6% or any lower rate they may be pleased to allow, there can be no --- difficulty to appoint an Official Trustee at the cost of the --- Association to hold the Government Securities of the Association for safe custody in consideration of our Association being a---- Charitable concern at least, when the Government of Bombay have appointed an Official Trustee for holding the Government Securi- ties of the Oriental Life Assurance Co., Ltd., in safe custody - though the same is not a charitable concern. As regards the -- appointment of the Bondholders' Representative and an Auditor by the Government, a separate application will be made soon after - there will be 2,000 Bondholders as per our rules.

So,

So, in kind and generous consideration of the facts submitted above, we beg to request most humbly and respectfully - that the Government may be graciously pleased not only to order the Registrar to issue the Business Commencement Certificate -- immediately but also to accept our funds perpetually as permanent deposit at the highest possible rate of interest or ------ appoint an Official Trustee for holding the Government Securities (in which the funds of the Association will be invested) - in safe custody. In the meanwhile, the Government may kindly cause the Press Communique issued by the Publicity Officer withdrawn or the enclosed rejoinder published in the Government --- Publicity Journal free of charge.

Soliciting an early and favourable reply and thanking you in anticipation,

We have the honour to be,
Sir,
Your most obedient servants,
For The All-India Mutual Aid & Poor Houses Association Ltd.

M. L. Kapanna

Chief Organizer.

॥ AUM ॥

No. 433.

(True Copy)

# CERTIFICATE OF INCORPORATION.

I hereby Certify that the All-India Mutual Aid and Poor Houses Association Limited, is this day incorporated under the Mysore Companies Regulation, VIII of 1917, and that the Company is Limited.

Fee Paid Rupees One Hundred and Thirty-nine only.

Give under my hand at Bangalore this Eighth day of July One Thousand Nine Hundred and Twenty-six.

B. RAMASWAMIYA,
Registrar of Joint Stock Companies
in Mysore.

Seal of the Registrar of Companies, Mysore.

AUM.

Copy of letter No.870 dated 9th November 1926 from the Registrar of Joint Stock Companies in Mysore, Bangalore, addressed to the Chief Organizer, All-India Mutual Aid and Poor Houses Association Ltd., Mysore.

---

With reference to his letter dated 6th November 1926, the Chief Organizer of the All-India Mutual Aid and Poor ---- Houses Association Ltd., is informed that the question of --- filing the prospectus under reference is receiving attention and the receipt of intimation, from this Office, if such ---- filing should be awaited.

For The All-India Mutual Aid & Poor Houses Association Ltd.

25 FEB 1927 M. K. Nagamma

*Chief Organizer.*

Proceedings of the Meeting of the Managing Committee of Directors of the All-India Mutual Aid & Poor Houses Association Ltd., Mysore, held on 6th November 1926 at 3 P.M. in the Registered Office of the Association at Mysore.

---

x x x x

(2) Read the correspondence ending with the Chief Organizer's letter of date addressed to the Registrar of Joint Stock Companies in Mysore, Bangalore, regarding the filing of the prospectus of the Association.

Resolved unanimously that the Secretary of the Association do not wait for the intimation from the Registrar for his having filed the prospectus of the Association, but do issue the amended copies of the prospectus to the public from this day forwards owing to the fact that not only the said amended copies of the prospectus have been finally filed with the Registrar on the 1st of this month alone after being amended strictly in accordance with the Law and also the instructions of the Registrar, but also the Company Law requires every new Association or Company only to file the prospectus on or before the date of its publication but not to wait for any acknowledgment (of the receipt of the said prospectus) or intimation (for the said prospectus having been filed) from the Registrar for issuing the same to the public as provided in Section ~~xxxxx~~ 92 of the Mysore Companies Regulation VIII of 1917.

x x x x

"True copy"

For The All-India Mutual Aid & Poor Houses Association Ltd.

M. L. Nagaraj

*Chief Organizer.*

AUM.

Copy of letter No.921 dated 3rd December 1926 from the Registrar of Joint Stock Companies in Mysore, Bangalore, addressed to the Chief Organizer, The All-India Mutual Aid & Poor Houses Association Ltd., Mysore.

---

With reference to his letter No.1759 dated 30th November 1926 forwarding with a Court Fee Stamp for Rs.6/- a Return of allotments made on 6th November 1926 and a declaration ---- before commencing business, the Chief Organizer of the All-India Mutual Aid & Poor Houses Association Ltd., is referred to this Office Memo No.870 dated 9th November 1926, and he is informed - that no action can be taken by this Office in the matter of his present application until the question relating to the filing -- of the prospectus is decided by this Office.

For The All-India Mutual Aid & Poor Houses Association Ltd.

25 FEB 1927 M. L. Nagannah

*Chief Organizer.*

Copy of letter No.1805 dated 6/8th December 1926 from the Chief Organizer, All-India Mutual Aid and Poor Houses Association Ltd., Mysore, addressed to the Registrar of Joint Stock Companies in Mysore, Bangalore.

Your kind letter No.921 dated 3rd inst.

In reply, we beg to inform you that the Directors of the Association believe that in all matters connected with the ---- Registration, Formation and Promotion of Joint Stock Companies in Mysore, both the Registrar and the said Companies are to be guided by the Mysore Companies Regulation and the provisions -- thereof are to be strictly complied with as they are mandatory but not discretionary. So, as mentioned in our previous letter, you could not but file the copies of our prospectus and also issue the Business Commencement Certificate in compliance with Sections 92 and 103 (2) of the Mysore Companies Regulation No.VIII of 1917, as we have complied with all the provisions mentioned in Sections 93 and 103 (1) of the said Regulation respectively. The Directors are therefore at a loss to understand how the filing of the prospectus could be deferred and the issue of the Business Commencement - certificate delayed on that ground in the absence of any provision in the Mysore Companies Regulation to show that the filing of the prospectus is at the discretion of the Registrar though it is ---- strictly in accordance with Law.

So, the Directors consider that there is nothing more to be complied with by us according to Law and that there can be -- nothing in the way for the issue of the Business Commencement - Certificate. But, if you think that there is still something to be complied with according to Law, we will do the same immediately on hearing from you. In case you consider that there is anything which is morally objectionable, we will be the first persons to - rectify ourselves at once. If on the other hand it is the desire of yourself or of the Government that our Association should be -- closed whether there is any legal or moral defect or not, the ---- Directors will be glad to advise the shareholders to do so without any delay as no indigenous concern can thrive without the sympathy and moral support of the Local Government. In case you do not -- give any heed to our reasonable requests and thereby do not issue the Business Commencement Certificate or to give us a satisfactory reply, the Directors will have no other alternative than to place the matter before the Shareholders in their Meeting to be held on 16th instant to do what they think best in the existing circumstances as the delay in the issue of the Business Commencement Certificate for an indefinite length of time will be detrimental to the interest of the Association owing to the fact that the Association will have to meet the Establishment charges unnecessarily for no business whatsoever. Anyhow, we trust that you will kindly reconsider over the matter and do justice and justice alone

Begging to be kindly excused for the trouble and thanking you in anticipation,

For The All-India Mutual Aid & Poor Houses Association Ltd.

25 FEB 1927

M. K. Nagannah

Chief Organizer.

Reply to the Govt Press Note

# LL-INDIA MUTUAL AID AND POOR HOUSES ASSOCIATION, LIMITED.

Regd. Office: MYSORE, (S. India)

(A Provincial Notice)

With reference to the Press Communique issued by the Publicity Officer to he Government of Mysore concerning he provisions made by the above said Association in its Memorandum and rticles of Association etc., for afeguarding the interests of its onstituents, it is most regrettable to bserve that the Government are wrong n saying that the Statements (regarding the perpetual investment of its fun s in the Government, the appointment f an Official Trustee to hold its Securi es in safe custody and the appointment of a Bondholders' Representative nd an Auditor by the Government to atch the interests of its constituents) ade in the abovesaid documents of he Association are unwarranted, for he reason that the Memorandum and rticles of Association as also the prospectus could not but contain all the ecessary provisions which are to be iven effect to after the commencement f the business of the Association as er Companies Regulation, nor are ey (the Government) justified in deding the matter and issuing the abo esaid Press Communique detrimental the interests of the Association, with ut any application being made by the ssociation or its objections or explana ons being taken, for the reason that ot only all the abovesaid provisions re worth welcoming by a Governemnt ho consider it to be their duty to feguard the interests of their people s far as possible but also the Memorandum, Articles and the prospectus f the Association in which the said rovisions are contained, have been mended strictly in accordance with aw and the instructions of the Registrar of Joint Stock Companies in Mybre, Bangalore, after his perfect rutiny,

As disclosed by the said Memorandum and Articles of Association as so by the prospectus, the main object the Association is to start Poor ouses in all the principal towns throughout, India, Burmah and Ceylon for eding the disabled and nursing the ffering poor and the scheme devised the Association for fulfilling its bjects has been based on the soundest possible principles without there being bsolutely no risk or speculation whatsoever. Notwithstanding this, it is a ity that not only the Government ould not be proud of such an Institution as this in their State and render he same all possible help in consideration of the Association being the first of its kind either in India or elsewhere and bound to relieve the distress of the suffering humanity as a whole, but also they (the Government) could not realise that the provisions referred to above are not in any way to the advantage of the promoters of the Association but are made for ensuring the safety of the public at large and the perpetual running of the Institution. Moreover, the Government would have been justified in issuing their communique if the above-said provisions had been made in the documents above referred to only for giving false impression to the public but not to give them effect to practically.

Further, either in the Memorandum or in the Articles of Association upon which the prospectus of the Association is based, it is not stated that all our funds will be invested only in the Government of Mysore but it is clearly stated therein that the funds of the Association are to be invested in the Government of Mysore or in any Indian or Foreign Government. Moreover, as provided in Article 96 of the Articles of Association, the funds to be collected by the Association in a particular Province will have to be invested in that Provincial Government itself. As provided in Article 93, in case any Provincial Government cannot accept our funds as permanent deposit, the funds will be invested in the Seeurities guaranteed by the said Government in preference and the said Government Securities will be held by an Official Trustee to be appointed by the said Government itself. In the places where the Govt. cannot accept our funds as permanent deposit or appoint an Official Trustee, the funds of that province will be invested in the Securities guaranteed by that Government in preference and the said Securities will be kept with the Bankers of the Association in that Province for safe custody as provided in Article 94 of the Articles of Association.

So, it is needless to impress upon the minds of the public that the Mysore Goverument is not the only Government upon which the Association entirely depends for the investment of its funds or for the appointment of an Official Trustee but there are many other Governments both Indian and Foreign for the said purpose and as such the disinclination of the Mysore Government to accept our funds as permanent deposit or to appoint an Official Trustee, will not prevent the Association from investing its funds in the Securities guaranteed by the Government of Mysore as also by other Governments or having the said Securities held by an Official Trustee appointed by any Indian or Foreign Government. The public should therefore please note that the funds of the Association will be invariably invested in any other Government or Governments or in the Securities guaranteed by the said Governments entirely and permanently and the Securities to be held by the Association will be kept with its Bankers for safe custody until an Official Trustee or Trustees are appointed by any other Government or Governments for holding the said Securities in safe custody.

Generally, in all Joint Stock Companies. the Directors and Auditors will be elected only by the Shareholders but in this Association in order to safeguard the interests of the Bondholders a provision has been made for the appointment of a Bondholders' Representative and an Auditor by either the Government of Mysore or that of India In case the Government of Mysore is not inclined to appoint them, the Association will apply to the Government of India for the said appointments soon after there will be 2,000 Bondholders as per rules. If even the Government of India cannot find its way to make the said appointments, the Bondholders alone will be authorised to make the said appointments themselves.

In conclusion, the public are requested to specially note that the promoters of the Association are men who believe in the existance of God and also have practically realized that Honesty and Truth will always triumph over sooner or later and consequently the abovesaid provisions have been made with an object of making the Association ever lasting one but not for defrauding anybody. It is therefore hoped that in the light of the above explanation, the Government will be pleased to reconcider the matter and give this indigenous concern their moral support which it richly deserves, in the interest of the suffering humanity at least.

For the All-India Mutual Aid & Poor Houses Association Ltd.

Mysore M. L. NAGANNAH
14 Feb 1927 Chief Organizer.

॥ ॐ ॥

A copy of this Prospectus has been filed with the Registrar of Joint-Stock Companies in Mysore, Bangalore.

# ALL-INDIA MUTUAL AID & POOR HOUSES ASSOCIATION, LTD., MYSORE.

## SHARE & DEBENTURE PROSPECTUS.

**AUTHORIZED CAPITAL** **RS. 1,00,000.**

Divided into 2,000 shares of Rs. 50 each and issued at a premium of Rs. 2-8-0 per share. The share and premium amounts are payable as follows:—

Rs. 5-0-0 Rs. (2-8-0 premium and Rs. 2-8-0 share amount) ... on Application.
,, 2-8-0 ... ... ... on Allotment.
,, 45-0-0 by 9 quarterly instalments of Rs. 5 each from the date of allotment.

,, 52-8-0 Total.

**EACH SERIES CONTAINS** **1,00,000 BONDS.**

The amount of each bond is Rs. 50 and Rs. 2-8-0 extra is payable for each bond towards admission and stamp fees. The bond amount and admission etc., fees are payable either in a lumpsum with the application or by instalments as follows :—

Rs. 2-8-0 (Rs. 2/- towards admission fee and As. 8/- towards stamp fee) ... with application.
,, 50-0-0 by 50 monthly instalments of Re 1/- each together with the interest of As. 4/- per bond per month until the payment of bond amount is completed.

,, 52-8-0 Total

**DIRECTORS:**

1. Dr. A. J. Ram, L. M. & S., M. D. (E.H.), Physician and Surgeon, *Sayyaji Rao Road, Mysore.*
2. Mr. T. S. Narasimhaswamy, Electrician and General Contractor, *Kotwal Ramaiya's Street, Mysore.*
3. ,, P. Subbaraya Sastry, M.A., Principal, Champion Metropolitan College, *Yelwal Road, Mysore*
4. ,, M. L. Nagannah, Founder and Retired Managing Director, Asiatic Govt. Security Life Assurance Co., Ltd., *Old Agrahar, Mysore.*

**BANKERS:**

The Indian Bank Ltd., Madras.

---

**CHIEF ORGANIZER:**

Mr. M. L. Nagannah.

**SECRETARY:**

Mr. K. R. Nagappa, *Bhakti Vilas, Mysore.*

**AUDITOR:**

Mr. G. V. Iswaraiah, G.D.A.,
*Certified by the Government of Mysore.*

**REGISTERED OFFICE:**

Building No. 368, Bazaar Street,
*Old Agraharam, Krishnaraja Mohalla, Mysore.*

# OBJECTS OF THE ASSOCIATION.

## INTRODUCTION.

It is a matter of common experience that, although everyone makes all possible efforts to secure happiness, only those who have worshipped God in their previous births are blessed with it. As, for instance, though there are many who have obtained Degrees in Law, Medicine or other subjects with equal rank, it is only a few that are happy in acquiring wealth, either by holding high appointments or by becoming leading Practitioners, while others find it difficult even to eke out their livelihood. It is thus clear that even though our efforts in this birth are equal and earnest, yet the result in each case is different according to the nature of worship of God in our past births. Nay, it is the experience of many of us that anyone destined to suffer great misery in this birth as the result of sins committed by him in his past ones can have such suffering lessened in proportion to his sincerity in the worship of God now and can finally attain happiness by the grace of God. So, it is beyond doubt that those who worship God and win His Grace attain happiness unmixed with misery both in this world and in the other. The worship of God is of two sorts. One is to regard some image as God and pay it all kinds of divine honours. This form of worship is known as IMAGE WORSHIP or worship of God in His STABLE FORM. The other is to please Him by alleviating the distress of the poor and the helpless by giving them food and medicine. This is said to be the worship of God in His MOVING FORM. As the latter is more pleasing to God than the former, those who follow this form gain the full grace of God much sooner and much more easily than by mere image worship.

Hence, those who have realized that this world (comprising both animate and inanimate objects) is the manifestation of God and devote themselves to the alleviation of the miseries of such poor and helpless persons as are afflicted by hunger or disease, become the real worshippers of God and thereby derive happiness both in this and in the other worlds by the grace of God. Though many know this fact, yet the poor for want of money and the rich on account of their desire to amass wealth do not generally perform this superior form of worship. Even those well-to-do people who are eager to gain the favour of God may carry out this kind of worship only during their life-time but not after, as it is not easy for them to arrange for this form of worship for ever, that is, even after they leave this world. Since the duration of happiness that those people can enjoy in the world to come is in proportion to the nature of their worship in this world, they have to be born again soon after their time of enjoyment there is over. Therefore, those who arrange for this superior form of worship here perpetually will enjoy continued happiness in the other world, and will not have to come back to this world as the fruits of the worship here will be going to benefit them even when they are in the other world. Consequently, their stay in the other world will be extended. So, those that arrange for the worship, however trivial it may be, to continue for ever will attain heaven and, after enjoying all possible happiness there for a long time, finally attain the highest stage. As, for instance, a mango seed, though small in form, grows into a big tree and yields a good number of fruits for a long time, so also the charitable deeds that we do in this world, however trifling they may be, bring about the greatest happiness for a long duration in the next world.

Keeping the abovementioned facts in view, the " All-India Mutual Aid and Poor Houses Association, Limited " has devised a new scheme (as detailed below) and aims, on the one hand, at enabling even the poorest to perform the abovesaid superior form of worship of God both during and after their life-time—nay as long as the world will be in existence—by paying a paltry sum and thereby win the full grace of God and, on the other hand, at alleviating the distress of the suffering humanity by starting charitable institutions (comprising Poor Houses and Hospitals for feeding the disabled and nursing the suffering who are poor and helpless) in every principal town throughout India, Burmah and Ceylon, as mentioned in the Memorandum of Association, a copy of which is hereto attached.

### Explanation of the Scheme.

Anyone who wishes to have the benefit of the abovesaid scheme can get a bond from the Association without any restriction of caste, creed, religion, sex or age on payment of Rs. 50 either in a lump sum or by 50 monthly instalments of Re. 1 each. The crores of Rupees that will be collected from lakhs of bondholders who may join the Association from all parts of India, Burmah and Ceylon will be entirely and permanently invested in the Governments of Mysore and India and half of the interest which will be got on this investment will be utilized for maintaining the Charitable Institutions to be started by the Association as abovementioned in every principal town in the abovesaid countries. If there should be any surplus out of the abovesaid interest after meeting the expenses of the Charitable Institutions of the Association, such amount will be utilized for aiding Educational, Medical, Religious and such other Charitable Institutions started for the good of the public in those places.

If any of the bondholders does not pay his monthly instalment and interest within the month for which the same fall due, his bond will lapse and the amounts paid thereon till then will be forfeited to the Association in case he does not get the bond revived within 3 months from the date of default, on payment of all arrears with a penalty of one anna per rupee per month.

If the name of any partly paid-up bondholder is drawn, the balance amount due on his bond will be deducted out of the loan amount to be paid to him. The principal amount of bond will not be refunded until the bond is drawn but the same will be allowed to be adjusted out of the last instalments payable by the holder of the said bond on account of the loan advanced to him.

The Association has made a provision in its Articles for the issue of separate series of bonds of any denomination to any community so that 50% of the interest accruable on the amount of bonds to be collected from the respective community people may be utilized for maintaining Charitable Institutions to be started for the Moral, Spiritual and Educational uplift of the said community people. For the present, one series of bonds will be issued by the Association exclusively to the Veerashiva community people for aiding the Educational Institutions and Students' Homes to be started by His Holiness Sri Jagadguru Sivananda Rajendra Sivacharya Mahaswami of Rambhapuri. The question of issuing separate series to other communities will be considered on application.

Out of the remaining half of the interest, two-thirds will be utilized in granting loans from Rs. 1,000 to Rs. 5,000 (repayable in one hundred monthly instalments of Rs. 10 each per every Rs. 1,000) to one hundred persons out of one lakh bondholders every year (as determined in the drawings) on their personal security without any interest. The balance one-third *plus* the amount of instalments to be recovered from the bondholders to whom the loans will be granted *plus* admission, etc., fees to be recovered from the new bondholders, *less* all the working expenses of the Association will be the net profit. Out of this net profit a portion will be set apart for payment of dividends to the shareholders and the balance will form the Reserve Fund. The Reserve Fund that will thus accumulate every year in this way will be utilized in constructing buildings for the Head Office, Chief Agencies or Branch Offices and Charitable Institutions of the Association.

## Example.

**Appropriation of interest accrued on bond amounts for maintaining Charitable Institutions and granting loans to bondholders.**

As the number of bonds to be issued by the Association is unlimited, they will be issued in several series, each series consisting of one lakh bonds. Supposing there will be one lakh bondholders in any calendar year qualified for drawing in any particular series, these one lakh bondholders will have paid to the Association Rs. 50,00,000 at Rs. 50 each. As this amount will be entirely invested in the Government, the Association gets three lakhs of rupees interest at least from the Government at 6 per cent per annum on the same. Out of this three lakhs of rupees, half the amount, *i.e.*, one lakh and a half, will be utilized for maintaining Charitable Institutions of the Association. As the names of one hundred persons per every lakh bondholders are to be drawn in the drawings every year, one hundred names will be drawn in the abovesaid calendar year. Out of those whose names are drawn like this, the first-drawn bondholder gets **Rs. 5,000**, the second-drawn bondholder gets **Rs. 2,000** and the remaining 98 drawn bondholders get Rs. 98,000 at **Rs. 1,000** each, amounting in all to Rs. 1,05,000 **as loans without any interest, on their personal security.**

**Net profit of the Association.**

Rs. 45,000 being the surplus amount of interest of three lakhs of rupees after transferring Rs. 2,55,000 (1,50,000 and 1,05,000) for maintaining Charitable Institutions and granting loans as abovesaid, *plus* the amount of instalments (at Rs. 10 per month per thousand) to be recovered from the drawn bondholders in the abovesaid calendar year on account of the loans granted to them every year, *plus* the amount of admission, etc., fees recoverable from the new bondholders that join the Association in the abovesaid year, *less* all the working expenses of the Association in the said year, will be the net profit of the Association for that year.

**Increase of net profit year by year.**

As determined in the drawings, a sum of Rs. 1,05,000 will be granted as loans to one hundred persons out of one lakh bondholders every year. During the year subsequent to that for which the first drawing is held, the Association will have collected Rs. 12,600 on account of the said loans. As another sum of Rs. 1,05,000 will be granted as per second drawing, the amount of instalments to be recovered during the next year will be Rs. 25,200. In the same way, as the drawings are held every year, the amount of instalments to be recovered from the bondholders will increase every year by Rs. 12,600, so much so that the amount of instalments to be recovered from them in the 8th year and onwards would be Rs. 1,00,000 and odd as the total amount of loans granted up to then would be Rs. 8,40,000. As the instalments to be recovered thus will be the income of the Association, the profits of the Association will necessarily increase proportionate to the increase in the collection of the amounts of instalments. When the amount of instalments to be recovered per each series would be Rs. 1,00,000 and odd, the total collection of instalments would be as many lakhs as there will be series. So, the net profit of the Association will accumulate to lakhs of rupees every year as there will be many lakhs of bondholders as the years pass on.

**Dividends to shareholders and accumulation of Reserve Fund.**

Out of lakhs of rupees net profit to be made by the Association every year as abovestated, a portion will be set apart for payment of dividends to the shareholders and the balance will be utilized for payment of profits to the Bondholder and Directorsas also for creating the Reserve Fund of the Associatior

N.B.—Only for the facility of calculation, the number of one lakh bondholders has been given in the abovesaid example and so, as mentioned hereinafter, it is not necessary that one lakh bondholders should be secured either for holding the drawings or for starting Charitable Institutions. For, as soon as there will be 1,000 bondholders, the drawings will begin to be held and as soon as there will be 2,000 bondholders, the Charitable Institutions will begin to be started by the Association.

## Other Special Features.

**Qualification of bondholders for drawings.**

Those bondholders who will have completed the payment of their full bond amounts before the beginning of a calendar year, and also those that will not have fully paid up their bond amounts but will have paid all their monthly instalments without anything in arrears during that calendar year together with interest at As. 4 per bond per month will be qualified to have their names included in the drawing of the said calendar year.

**Holding of separate drawings in different places.**

If the number of bondholders qualified for the drawing will be not less than 1,000 in any province, district, taluk or principal town, a separate drawing will be allowed to be held in that province, district, taluk or principal town as the case may be and the number of loans to be granted will be proportionate to the number of bondholders in the said localities.

**Starting of Charitable Institutions at Mysore and other places.**

As soon as there will be 2,000 fully paid-up bondholders in the Association, a Charitable Institution (comprising a Poor House and a Hospital) will be started at Mysore and similar institutions will be started in every province, district, taluk and principal town as soon as there will be 2,000 fully paid-up bondholders.

IN PLACES WHERE IT WILL BE FOUND CONVENIENT TO FEED THE DISABLED AND OLD CATTLE AND OTHER DOMESTIC ANIMALS, A CATTLE SHED OR PINJARAPOLE WILL BE ATTACHED TO THE POOR HOUSES TO BE STARTED IN THE SAID PLACES.

**Non-inclusion of drawn bonds in the subsequent drawings and derivation of benefits of each bond separately.**

As the names of the bondholders drawn in a drawing will not be included in the subsequent ones, all the bondholders or their heirs are sure to get loans one year or another according to their turn. Any person may take up any number of bonds and those that take up more bonds than one will be entitled to the benefits of each bond separately. That is, if a person takes up ten bonds in his name and if he gets a loan in respect of one of the bonds having been drawn in any year, only the said bond which is drawn will not be included in the subsequent drawings but the same bondholder will be getting loans again and again in respect of each of the remaining nine bonds in each of the years in which they will be drawn. Nay, if by chance all his ten bonds are drawn in any one year, he will get loans simultaneously in respect of all the bonds.

**The Association not incurring loss even if any loans are found to be irrecoverable.**

In case any of the persons that are granted loans happen to be poor and the loan amount is found irrecoverable from them in spite of the Association taking necessary legal steps, it will be no loss to the Association as the loan amounts will not be paid out of the principal amount but will be paid only out of a portion of interest to be got by the Association. Moreover, as the bondholders comprise of both the rich and the poor, the chances go to them both. If the chances go to the rich, there will be certainty of the return of the loan amounts and, if the chances go to the poor and any of the loans granted to them is found to be irrecoverable, the Association would be benefiting the poor.

## Important Privileges and Benefits to the Bondholders of the Association.

**Bond amount smallest and the payment easiest.**

The amount of Rs. 50 payable for each bond by the bondholders is so small and the payment is so easy that it will not be felt by either the poor or the rich as it may be paid by **50 monthly instalments** of Re. 1 each.

**Absolute security.**

As provided in the Memorandum and Articles of Association, the principal bond amount to be collected from the bondholders will be **entirely and permanently invested in the Government or in the Government securities** and the said securities will be held for safe custody by **an Official Trustee appointed by either the Government of Mysore or that of India.**

Regarding the appointment of a Bond-holders' Representative and an Auditor by the Government, please *vide* 49 and 71 Articles of Association annexed hereto.

---

**Perpetuity of the Charitable Institutions and the bondholders partaking the benefit of the charities done by the Association.**

As half of the interest that accrues on the principal bond amounts of the bondholders will be exclusively utilized in relieving the distrees of the poor and helpless and there is no better form of worship of God than this, **all the bondholders of the Association being the authors of this worship will win the full grace of God and enjoy eternal happiness in the other world as they will have arranged for this superior form of worship of God for ever and ever.** Since the Governments will last as long as the world will be in existence, the funds of the Association will be safe and will be securing interest regularly. Thus, the Association is bound to run the Charitable Institutions without any obstruction whatever **as long as the world exists.**

**Bondholders getting loans on personal security without interest.**

As explained hereinbefore, **the bondholders or their heirs are sure to get loans one year or another on their personal security alone without any interest from Rs. 1,000 to Rs. 5,000.** As the amount of instalments they pay every month on the loan amounts that they receive will be equal to 12 per cent interest per annum on the said loan amounts, **the bondholders will have the loan amounts for themselves after 100 months as they will have paid mere interest for that period at the abovesaid rate.**

**Bondholders not required to repay the loan amounts in case they utilize it for constructing buildings for Charitable Institutions.**

If any of the drawn bondholders do not want loans but are willing to utilize the said loan amounts for constructing the buildings of the Charitable Institutions of the Association, not only will they not be required to repay anything to the Association on account of the said loan amounts, but they will also be entitled to the benefit of the charity done with the said loan amounts.

The non-drawn bondholders will be entitled to 50% of the n profits of the Association and the said profit will be distributed on in every five years.

## Special Privileges and Benefits to the Shareholders of the Association.

**Object of the Capital of the Association.**

As the main object of the Association is to start Charitable Institutions and the said Institutions will be maintained only with the interest on the bondholders' amount without any necessity for the utilization of any other amount, this Association has been started with an authorized Capital of one lakh divided into 2,000 shares of Rs. 50 each in order to satisfy the requirements of the Law.

**Directors' previous permission necessary for applications for more than 10 shares.**

As it is the object of the Directors to make the extraordinary benefits of the shares of the Association available for as many persons as possible, **no applications will be received for more than 10 shares from an individual person.** In case there will be any who wish to apply for more than 10 shares, they should obtain previous permission from the Directors before making any application.

# ARTICLES OF ASSOCIATION

RELATING TO THE

**Appointment of a Bond-holders' representative & an auditor by the Govt**

49. As soon as there will be 2,000 fully paid-up bondholders, the Directors shall apply either to the Government of Mysore or that of India for the appointment of a Bondholders' Representative on the Board of Directors to watch the interests of the bondholders. The said appointment may be made by the Government once in every year or otherwise as they shall think fit. The Bondholders' Representative shall be entitled to the same privileges and remuneration as any other Director of the Association.

71. As soon as the Association secures 2,000 fully paid-up bondholders, the Directors shall apply to the Government of Mysore for the appointment of an auditor on behalf of the bondholders for auditing the accounts of the Association in addition to their being audited by the Auditor appointed by the Shareholders. If the Government appoints such an auditor, such remuneration as the Government direct, shall be paid to him by the Association.

**Easy payment of the share amount.**

As the shares of the Association are sold at a premium of Rs. 2-8-0 per share, the intending shareholders shall pay Rs. 2-8-0 being the said premium amount as also Rs. 2-8-0 towards part payment of the share amount, *i.e.*, **Rs. 5 per share with the application.** After the shares are allotted, the shareholders shall pay immediately Rs. 2-8-0 per share and **the balance Rs. 45 per share by nine quarterly instalments of Rs. 5 each** from the date of allotment.

**Investment of shareholders' money and allotment of bonds to shareholders.**

As the paid-up capital of the Association is not required for any other purpose as mentioned above, the whole paid-up capital will be utilized in purchasing bonds of the Association itself and the bonds thus purchased will be allotted to the shareholders at one bond per every share held by them on payment of Rs. 2-8-0 per bond towards admission fee and cost of bond and so **the whole paid-up capital will become bond amount and the same will, therefore, be entirely and permanently invested safely in the Government** just like the amounts of bondholders.

**Shareholders entitled to the profits of the Association as well as to the benefits of the bonds.**

As the shareholders get bonds, they will be entitled to all the privileges and benefits the bondholders are entitled to as mentioned hereinbefore. In addition to this, the shareholders will not only be entitled to the dividends to be declared out of the profits which the Association earns every year but they may also, in course of a few years, expect **cent per cent dividends on their share amounts** as the Association is sure to make **lakhs of rupees profit** as explained hereinbefore as against a paid-up capital of only one lakh of rupees.

**Necessity for immediate application for shares.**

**Until 2,000 shares of the Association are disposed of, the applicants can become the holders of both a share and a bond for each Rs. 50 they pay and thereby they will be entitled to double benefits.** After 2,000 shares are disposed of, applications for bonds alone will be received and, therefore, the applicants will be entitled only to the benefits of a bond for every Rs. 50 they pay. So, it is necessary that those who wish to avail themselves of the abovesaid **extraordinary double benefits should send their applications** for the required number of shares **immediately** in the appended form together with a remittance of Rs. 5 per share **to avoid disappointment.**

## Directors' Qualification and their Remuneration.

Each Director of the Association shall hold 20 shares of the Association in his individual name. In case any of the Directors, not being residents of Mysore, attends the meetings of the Board or the Committee, he will be entitled to actual travelling expenses. Until the business of the Association is commenced, no Director will be entitled to any sitting fee for any meeting of the Board or the Committee attended by him. After the business is commenced and until the capital of the Association is fully subscribed, a sitting fee of Rs. 6-4-0 and Rs. 12-8-0 will be paid to each Director for every meeting of the Committee or Board attended by him respectively. After the capital of the Association

॥ ॐ ॥

## FORM OF APPLICATION FOR SHARES.

*No*..... *Influenced by*.....

*Allotment No.*.....
*Date of Allotment*.....
*No. of Shares Allotted*.....
*Share Nos*..... *to* .....

To

**The Directors,**

**All-India Mutual Aid & Poor Houses Association, Ltd.,**

**MYSORE.**

*Gentlemen*;

Having paid the sum of Rs.....being the deposit of Rs. 5 (Rs. 2—8—0 towards premium and Rs. 2—8—0 towards share amount) per share on.....shares of Rs. 50 each in the above Association, I request that you will allot to me that number of shares. I hereby agree to accept the same or any less number that you may allot to me, upon the terms of the Prospectus dated 10th August 1926 and the Memorandum and Articles of Association, and I authorize you to place my name on the Register of Members in respect of the shares allotted to me. Further, I also agree to pay Rs. 2—8—0 per share on allotment and Rs. 45—0—0 per share by 9 quarterly instalments of Rs. 5 each from the date of allotment.

*Station*.....

*The*.....*192* .

**Usual Signature.**

.....

**Please write distinctly.**

*Name in full*.....
*Age*.....
*Profession or Business*.....
*Address (in full)*.....
*Post Office*.....

is fully subscribed, a sitting fee of Rs. 12-8-0 and Rs. 25 will be paid to each Director for every meeting of the Committee or Board attended by him respectively. Apart from this, all the Directors along with the Bondholders' Representative will be entitled to 10 per cent of the net profit of the Association every year and the said amount will be distributed among all of them equally. Except this, the Directors have no other interest in the Association nor is any promotion or other fee payable either to the Directors or anybody else.

## Minimum Subscription.

The minimum number of shares for which the Association should receive applications before the first allotment is made and the business of the Association is commenced, is 200 shares to the nominal value of Rs. 10,000.

## Commission on Shares.

A commission not exceeding 5 per cent on the nominal value of shares actually allotted will be paid by the Association. As the shares are sold at a premium of Rs. 2-8-0 per share, the commission payable to the agents will be met out of the said premium amounts alone and so, nothing will be paid out of the paid-up share amounts towards commission.

## Preliminary Expenses.

The preliminary expenses to be incurred by the Association are estimated to be Rs. 2,500. But as the Association gets Rs. 2-8-0 per share from the shareholders on account of bonds to be allotted to them, towards admission fee and cost of bond as mentioned hereinbefore and the said collection will amount to Rs. 5,000 (2,000 shares at Rs. 2-8-0 each) the preliminary expenses will be written off eventually out of the said amount.

on 9 AUG 1926

An Agreement is entered into between the Association of the one part and Mr. M. L. Nagannah of the other part by which the said Mr. M. L. Nagannah will be the Chief Organizer of the Association for 25 years and thereafter on the terms and conditions mentioned in the draft Agreement annexed to the Articles of Association. The said ~~draft~~ Agreement as also the Articles of Association can be inspected by anybody at the Registered Office of the Association during office hours or a copy thereof can be obtained on payment of As. 8 only.

For further particulars, prospectuses and application forms, communications may be addressed to the Secretary of the Association at the Registered Office.

A. J. RAM,
M. L. NAGANNAH,

P. SUBBARAYA SHASTRY
T. S. NARASIMHASWAMY,

*Dated* 12 JAN 1927

2148-26 The Bangalore Press.

OM

# MEMORANDUM OF ASSOCIATION

OF

# All-India Mutual Aid & Poor Houses Association Ltd.

---

1. The name of the Association is the "All-India Mutual Aid and Poo Houses Association Limited".
2. The Registered Office of the Association will be situated in the State o Mysore.
3. The objects for which the Association is established are:—
   (a) To establish Charitable Institutions in every principal town in Indi and also in any other part of the world for feeding the disabled an nourishing the suffering poor without any restriction of caste, creec or sex, and also for aiding Educational, Medical, Religious and othe Institutions started for the good of the society.
   (b) To carry on in India and in any other part of the world the business of raising funds by issuing at par or at a premium, bonds, debentures and debenture stock, perpetual or otherwise, with or without special privileges and also with or without a specific charge on all or any part of the property of the Association.
   (c) To invest, perpetually or otherwise, the principal amount of bonds, debentures, and debentnre stock, in the Government, Indian or Foreign, or in securities guaranteed by the said Government.
   (d) To deposit, perpetually or otherwise, the Government securities held by the Association for safe custody with an Official Trustee or Trustees if any appointed by the Government or Governments, Indian or Foreign.
   (e) To maintain and aid the abovesaid Charitable and other institutions with a portion of interest accrued on the funds invested as above in the Government or in the Government Securities.
   (f) To grant loans, with or without interest or security to the holders of bonds, debentures or debenture stock, as determined by periodical drawings out of a portion of interest accrued on the abovesaid funds, and allow the repayment of the said loans by easy instalments.
   g) To utilize a portion of interest accrued on the abovesaid funds together with the amount of instalments repayable to the Association on account of loans granted to the bond and debenture holders and also admission, stamp and other fees payable by the holders of bonds, debenture and debenture stock, for meeting the working expenses of the Association, making provision for Reserve Fund and paying dividends to the Shareholders.
   ı) To invest the paid-up capital and Reserve Fund in such securities as are determined from time to time by the Association in its General Meeting.
   ). To purchase, take or lease in exchange, or hire or otherwise acquire any estate, interest in any lands or buildings, leasements, rights, privileges, concessions and immoveable property of any [illegible]

necessary or convenient for the business of the Association in any part of the world.

(j) To erect, construct, lay down, enlarge, alter and maintain buildings, works and Machinery, necessary or convenient for the business of the Association in any part of the world.

(k) To purchase or otherwise acquire the business and property of any person, firm or company carrying on any business which the Association is authorized to carry on and take over the property and liability of such person, firm or company on such terms as the Association may think fit

(l) To enter into partnership and into an arrangement for sharing profits, union of interest, co-operation and joint adventure, reciprocal concession or otherwise, with any person, firm or company carrying on or about to engage in, any business or transaction calculated to benefit this Association and to guarantee the contracts of or otherwise assist such person, firm or company.

(m) To establish Provincial and Local Boards, Branches and Agencies in any part of the world and to discontinue the same.

(n) To enter into and carry into effect an agreement with regard to management which has already been prepared and is expressed to be made between Mr. M. L. Nagannah of the one part and the Association of the other part, and copy whereof is annexed hereto.

(o) To enter into agreements with the officers, agents and other employees of the Association on the terms and conditions as are determined by the Directors from time to time.

(p) To receive donations from the public at large and utilise for Charitable purposes.

(q) To act as Trustees for any Charitable Institution or Fund and do everything incidental and conducive to the promotion of the objects of the donors concerning the said Charitable Institution or Fund as the case may be.

(r) To do all such other things as are incidental or conducive to the attainment of all or any of the above objects.

4. The liability of the Shareholders is limited.

5. The capital of the Association is Rs 1,00,000 divided into 2000 shares of Rs. 50 each, with power to increase.

| Serial No. | Names, Descriptions and addresses of ~~Shareholders~~ Subscribers. | No. of shares taken. |
|---|---|---|
| 1. | M. S. Basavalingayya, B.A., B.L., Legal Practitioner, Old Agrahar, Mysore. | 20 |
| 2. | T. S. Narasimhaswamy, General Contractor and Electrician, 612, Kotwal Ramiah's Street, Mysore. | 20 |
| 3. | P. Subbaraya Sastry, M.A. etc., Principal, Champion Metropolitan College, Ilwal Road, Mysore. | 20 |
| 4. | Sirasi Gurushantha Sastry, Palace Asthan Vidwan, Old Agrahar, Mysore. | 20 |
| 5. | A. J. Ram, L.M. & S., M.D. (E.H.) Physician & Surgeon, Sayyaji Rao Road, Mysore. | 20 |
| 6. | K. Nagappa, Managing Proprietor of Messrs K. Nanjundappa & Sons, Old Thurgpet, Bangalore City. | 20 |
| 7. | M. L Nagannah, Founder & Retd. Managing Director, Asiatic Government Security Life Assurance Co Ltd., Old Agrahar, Mysore. | 20 |

MYSORE PRESS, MYSORE.

P. Subbaraya Sastry

K. Nagappa

L. Nagannah

T. Narasimhaswamy

OM

# MEMORANDUM OF ASSOCIATION

OF

## All-India Mutual Aid & Poor Houses Association Ltd

WITH

# ARTICLES OF ASSOCIATION

OM

# INDEX


| | PAGE. |
|---|---|
| MEMORANDUM OF ASSOCIATION .... | i to iii |
| ARTICLES OF ASSOCIATION .... | 1 to 20 |
| I. Constitution of the Association | |


## ERRATA.

| Page | Line | *For* | *Read* |
|---|---|---|---|
| i | 25 | appointed | if any appointed |
| 15 from below | 4 | also may enjoy | may enjoy also |

*Note:*— In pages i, 1, 18 and 19, *for* 'All-India Co-operative and Charitable Association Ltd' *read* 'All-India Mutual Aid and Poor Houses Association Ltd'.


| | | | | | |
|---|---|---|---|---|---|
| XVI. | Secrecy Clause | .... | ... | ... | 16 |
| | Schedule | ... | .... | .... | 18 |

OM

# MEMORANDUM OF ASSOCIATION

OF

# All-India Mutual Aid & Poor Houses Association Ltd

1. The name of the Association is the " All-India Co-operative and Charitable Association Limited. "
2. The Registered Office of the Association will be situated in the State of Mysore.
3. The objects for which the Association is established are:—
   (a) To establish Charitable Institutions in every principal town in India and also in any other part of the world for feeding the disabled and nourishing the suffering poor without any restriction of caste, creed or sex, and also for aiding Educational, Medical, Religious and other Institutions started for the good of the society.
   (b) To carry on in India and in any other part of the world the business of raising funds by issuing at par or at a premium, bonds, debentures and debenture stock, perpetual or otherwise, with or without special privileges and also with or without a specific charge on all or any part of the property of the Association.
   (c) To invest, perpetually or otherwise, the principal amount of bonds, debentures and debenture stock, in the Government, Indian or Foreign, or in securities guaranteed by the said Government.
   (d) To deposit, perpetually or otherwise, the Government securities held by the Association for safe custody with an Official Trustee or Trustees appointed by the Government or Governments, Indian or Foreign.
   (e) To maintain and aid the abovesaid Charitable and other institutions with a portion of interest accrued on the funds invested as above in the Government or in the Government Securities.
   (f) To grant loans, with or without interest or security to the holders of bonds, debentures or debenture stock, as determined by periodical drawings out of a portion of interest accrued on the abovesaid funds, and allow the repayment of the said loans by easy instalments.
   (g) To utilize a portion of interest accrued on the abovesaid funds together with the amount of instalments repayable to the Association on account of loans granted to the bond and debenture holders and also admission, stamp and other fees payable by the holders of bonds, debenture and debenture stock, for meeting the working expenses of the Association, making provision for Reserve Fund and paying dividends to the Shareholders.
   (h) To invest the paid-up capital and Reserve Fund in such securities as are determined from time to time by the Association in its General Meeting.

(i) To purchase, take or lease in exchange, or hire or otherwise acquire any estate, interest in any lands or buildings, leasements, rights, privileges, concessions and immoveable property of any tenure or kind necessary or convenient for the business of the Association in any part of the world.

(j) To erect, construct, lay down, enlarge, alter and maintain buildings, works and machinery, necessary or convenient for the business of the Association in any part of the world.

(k) To purchase or otherwise acquire the business and property of any person, firm or company carrying on any business which the Association is authorized to carry on and take over the property and liability of such person, firm or company on such terms as the Association may think fit

(l) To enter into partnership and into an arrangement for sharing profits, union of interest, co-operation and joint adventure, reciprocal concession or otherwise, with any person, firm or company carrying on or about to engage in, any business or transaction calculated to benefit this Association and to guarantee the contracts of or otherwise assist such person, firm or company.

(m) To establish Provincial and Local Boards, Branches and Agencies in any part of the world and to discontinue the same.

(n) To enter into and carry into effect an agreement with regard to management which has already been prepared and is expressed to be made between Mr. M. L. Nagannah of the one part and the Association of the other part, and copy whereof is annexed hereto.

(o) To enter into agreements with the officers, agents and other employees of the Association on the terms and conditions as are determined by the Directors from time to time.

(p) To receive donations from the public at large and utilise for Charitable purposes.

(q) To act as Trustees for any Charitable Institution or Fund and do everything incidental and conducive to the promotion of the objects of the donors concerning the said Charitable Institution or Fund as the case may be.

(r) To do all such other things as are incidental or conducive to the attainment of all or any of the above objects.

The liability of the Shareholders is limited.

The capital of the Association is Rs. 1,00,000 divided into 2000 shares of Rs. 50 each, with power to increase.

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into an Association in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Association set opposite to our names.

| Serial No. | Names and descriptions of Subscribers. | Addresses of the Subscribers. | No. of shares taken | Nominal value of shares. | Names and addresses of witnesses. |
|---|---|---|---|---|---|
| 1 | M. S. Basavalingayya, B.A., B.L., Legal Practitioner | Old Agrahar, Mysore. | 20 | 1000 | K. R. Nagappa, 1, Bhaktivilas, Mysore. |
| 2 | T. S. Narasimhaswamy, General Contractor & Electrician. | 612, Kotwal Ramiah's Street, Mysore. | 20 | 1000 | H. S. Venkataramiah, 1, Bahktivilas, Mysore. |
| 3 | P. Subbaraya Sastry, M.A. etc., Principal, Champion Metropolitan College, Ilwal Road, Mysore. | 1938, Kotwal Ramiah's Street, Sivarampet, Mysore. | 20 | 1000 | K. R. Nagappa, 1, Bahktivilas, Mysore. |
| 4 | Sirasi Gurushanta Shastry, Palace Asthan Vidwan. | Old Agrahar, Mysore. | 20 | 1000 | do |
| 5 | A J Ram, L.M. & S., M.D. (E. H.) Physician and Surgeon. | Sayyaji Rao Road, Mysore. | 20 | 1000 | K. N. Mudaliar, Druggist, Sayyaji Rao Road, Mysore |
| 6 | K. Nagappa, Managing Proprietor of Messrs. K. Nanjundappa & Sons. | Old Thurgpet, Bangalore City. | 20 | 1000 | H. Rudrappa, Merchant, Moddagiri. Tumkur Dist. |
| 7 | M. L. Nagannah, Founder & Retd. Managing Director, Asiatic Government Security Life Assurance Co. Ltd. | Old Agrahar, Mysore. | 20 | 1000 | K. R. Nagappa, 1, Bhaktivilas, Mysore. |
| | | TOTAL | 140 | 7000 | |

AUM.

# All-India Mutual Aid & Poor Houses Association Limited.

## REGISTERED OFFICE: MYSORE (S. INDIA).

——:o:——

## NOTICE.

The under-noted Articles have been incorporated after sanction by the Shareholders of the Association in their Extra-ordinary General and Confirmatory Meetings held on 16th December 1926 and 7th January 1927 respectively. Out of the following Articles, Articles 17 (c), 58 (a), 66 (a) and 89 (a) have been freshly added to the existing Articles of Association whereas the other two Articles have been substituted for the existing Articles of the same numbers given to them.

*Dated 8—1—1927,*
*Mysore.*

K. R. Nagappa,
*Secretary.*

17. *(c)* 50% of the net profits of the Association shall be distributed among all the existing non-drawn Bondholders once in every five years proportionate to the period their bonds will have been in force during the said five years.

58. *(a)* The first members of the Managing Committee of Directors shall not be subject to any rotation just as other Directors but their Office as Directors shall be permanent unless they are disqualified to be Directors.

66 *(a)* The Directors may, if they deem it necessary, organize a Provincial Board in any Province and get the funds collected in that Province invested in the respective Provincial Government even before 2000 Bondholders are secured in the said Province. The Directors may, if they deem it necessary, organize a separate Provincial Board for a particular community and the funds relating to that community shall be invested in any Government the said Provincial Board recommends.

85. The surplus amount of interest on the Bondholders' Fund (after transferring the prescribed amount to the Drawing and Charity Funds as herein—before mentioned) every year plus the admission fees, cost of Bond and penalty payable by the Bondholders plus the amount of instalments to be recovered from the (drawn Bondholders) loan recipients less all the working expenses of the Association shall be the net profit of the Association. The surplus amount of this net profit after allocating the profits to the Bondholders and Directors as per Articles 17 (c) and 52 and dividends to the Shareholders shall form the Reserve Fund of the Association.

89. *(a)* In places where the Provincial Boards are organized, the accounts with the Banks in their respective Provinces shall be operated upon by means of cheques signed by the Chairman of the Provincial Board and countersigned by the Chief Organizer and the Chairman of the Board or the Managing Committee of Directors.

93. The Personal Investment Fund (that is, the principal amount of bonds to be collected from the Bondholders) shall be invested entirely in the Government of Mysore or in any Indian or Foreign Government as permanent deposit at a fixed rate of interest. Until the Government or Governments begin to accept the deposits, the Personal Investment Fund shall be invested entirely in the Securities guaranteed by any of the said Governments.

OM

# ARTICLES OF ASSOCIATION

OF

# All-India Mutual Aid & Poor Houses Association Ltd.

## I. CONSTITUTION OF THE ASSOCIATION.

It is agreed as follows:—

Association to be governed by these Articles and also Table 'A'.

1. The Association is established with Limited Liability in accordance with, and subject to, the provisions of the Mysore Companies Regulation No. VIII of 1917. The Regulations for the management of the Association shall be such as are contained in the following Articles and also in the Table 'A' of the First Schedule to the said Mysore Companies Regulation so far as they are not modified by the following Articles.

## II. PRELIMINARY.

Interpretation clause.

2. The marginal notes hereto shall not affect the construction hereof and in these presents unless repugnant to the context or subject, expressions defined below and also in the Mysore Companies Regulation No. VIII of 1917 shall have the meanings so defined; words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine also, and words importing persons shall include bodies corporate.

'The Association' or 'This Association'

"The Association" or "This Association" means 'All-India Co-operative and Charitable Association Ltd." established under the Memorandum of Association to which these Articles are annexed.

These Presents or Regulations.

'These Presents' or 'Regulations' means and includes the Memorandum and these Articles of Association, and any modification or alteration thereof for the time being in force.

Shareholders Members.

'Share-holders' or 'Members' means the duly registered holders from time to time of the Shares of the Association.

Directors.

'Directors' means the Directors for the time being of the Association or the Directors assembled at a Board as the case may be.

Board.

'Board' means a meeting of the Directors duly called and constituted.

Year.

'Year' means calendar year.

Acts.

'Acts' means the Mysore Companies Regulation No. VIII of 1917 and any statutory modification or alteration thereof for the time being in force.

## III. CAPITAL.

Amount of capital and minimum subscription.

3 The Capital of the Association, for the time being, shall be Rs. 1, 00, 000 divided into 2000 shares of Rs. 50 each and the minimum number of shares to be subscribed before the first allotment of shares and the commencement of the business of the Association shall be 200 shares of the nominal value of Rs. 10, 000.

Allotment of Shares.

4. The shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons, on such terms and conditions, and either at a premium or at par, and at such times, as the Directors think fit, and with full power to give to any person the call of any shares either at par or at premium, during such time, and for such concession as the Directors think fit.

Payment of Share Calls and sale of shares at a premium.

5. The Directors, unless they otherwise determine, shall, for the time being, call Rs. 50 fully per share and recover the same by instalments, that is, Rs. 2—8—0 with the application, Rs. 2—8—0 on allotment and the balance Rs. 45 by nine quarterly instalments of Rs. 5 each from the date of allotment; and the shares of the Association shall, unless otherwise determined by the Directors, be sold at a premium of Rs. 2-8-0 per share and the said premium shall be recovered with the application alone.

Commission for placing shares.

6. The Association may at any time pay a commission to any person for subscribing or agreeing to subscribe ( whether absolutely or conditionally ) for any shares in the Association, or for procuring or agreeing to procure subscriptions ( whether absolutely or conditionally ) for any shares in the Association, so that if the commission shall be paid or payable out of capital, the statutory requirements and conditions shall be observed and complied with and the commission thus payable shall not exceed 5 % on the nominal value of shares in each case subscribed or to be subscribed.

Forfeiture and revival of shares.

7. The Directors or any person authorized by them may forfeit any defaulting share or shares after giving thirty days' notice for the payment of allotment money or instalments due, and they or the said person may at any time before the said forfeited shares shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they or he thinks fit.

Issue of bonds to the shareholders and their participation in the Annual Drawings.

8. Every shareholder shall be entitled to a Personal Investment Bond of Rs 50 per each share he holds, on payment of Rs. 2-8-0 per bond towards admission fee and cost of bond, but he shall be eligible to participate in the Annual Drawings only after he completes the payment of his full share amount. If any Shareholder wishes to participate in the said Drawings before that, he shall be required to pay the Personal Investment Department As. 4 per bond per month towards interest from the beginning of the calendar year in which he gets the bond until the end of the month in which he completes the payment of his full share amount. But no shareholder shall be entitled to the refund of the amount of bond or bonds issued in his favour and he shall never cease to be a bondholder as well as a shareholder.

Copies of the Memorandum and Articles of Association.

9. Copies of the Memorandum and Articles of Association shall be furnished by the Directors to every shareholder at his request on payment of their price not exceeding Re. 1 per each copy.

## IV. BUSINESS.

Place of business.

10. The Head Office of the Association shall be in the City of Mysore and the business of the Association shall be carried on there and at such other place or places within and beyond the limits of India, Burmah and Ceylon as the Board may deem advisable.

Nature and conduct of business.

11. Although the main business of the Association for the time being shall be to raise funds by issuing bonds under the Personal Investment Scheme of the Association, and to maintain Charitable Institutions out of a portion of interest accruable on the said Personal Investment Funds as mentioned hereinafter, yet the business of the Association shall include everything within the scope of the Memorandum of Association. Such business shall be carried on by or under the management and direction of the Board; and any act or thing, and any branch or kind of business which by the Memorandum of Association is either expressly or by implication authorized to be done, suffered or undertaken by the Association, may be undertaken by the Directors at such time or times and in such manner as they shall think fit.

12 Any number of series of one lakh bonds shall be issued by the Association in favour of those who are desirous of depositing Rs. 50 each with the Association free of interest, and the qualified holders of the said bonds shall be entitled to receive loans ranging from Rs. 1000 to Rs. 5000 without interest on their personal security, repayable in 100 monthly instalments of Rs. 10 per thousand, as determined by the drawings of every calendar year to be held on 31st January of the subsequent calender year, as explained below.

Issue of bonds.

Grant of loans by drawings.

**Example:**—If there will be 1,00,000 qualified bond-holders (in any series issued by the Association) on 1st January of a calendar year, the Association will have collected not less than Rs. 3,00,000 towards interest during the said calendar year either from the bond-holders themselves or by investing the fully paid-up bond amounts in the Government or in the Government Securities at a minimum rate of 6 per cent interest per annum. Out of the names of the said one lakh bond-holders, only one hundred names will be drawn in the drawings of the said year to be held on 31st January of the subsequent calendar year and the first and second drawn bond-holders will get loans of Rs. 5000 and Rs. 2000 respectively, while the remaining 98 drawn bond-holders will get loans of Rs. 1000 each, amounting in all to Rs. 1,05,000 and leaving a surplus of Rs. (3,00,000 less 1,05,000) 1,95,000 for being utilized for charitable and other purposes as mentioned hereinafter.

Example for holding drawings and distributing loans among the drawn bond-holders.

13. If the number of qualified bond-holders be less than one lakh on the first day of a calendar year, so many names as many thousands of qualified bond-holders as there will be on the said day shall be drawn in the drawing of that year and all the drawn bond-holders including the first and the second also shall get a loan of Rs 1000 each. If there be any part of one thousand, the last drawn bond-holder shall get a loan of so many hundreds of rupees as many complete hundreds of bond-holders as there will be in that part of one thousand as explained below.

Drawing when the number of bond-holders is less than one lakh.

**Example:**—If there will be 78,422 qualified bond-holders on the first day of a calendar year, only 79 names will be drawn as there will be one incomplete and 78 complete thousands. So, 78 drawn bond-holders will get a loan of Rs. 1000 each while the last (i.e. 79th) drawn bond-holder will get only Rs. 400 as there will be only four complete hundreds in that one incomplete thousand.

Example for the above.

14. Any person of sound mind, aged 18 or above, can take up any number of bonds in any series without any restriction of caste, creed or sex. Every bondholder shall pay Rs. 2-8-0 per bond with his application towards admission fee and cost of bond.

Eligibility for taking up bonds and payment of admission fee and cost of bonds.

15. In case a bondholder cannot pay the bond amount of Rs. 50 in lumpsum with his application, he shall be allowed to pay the same by instalments of not less than Re. 1 each, per month ; but such bondholders shall pay an interest of As. 4 per month per bond until they complete the payment of Rs. 50. Both the abovesaid instalments and interest shall be paid on the first of each calendar month and the said instalment and interest shall commence to be paid from the month following that in which the allotment of bond will be made.

Payment of bond amount by instalments

16. If the monthly instalment and interest are not paid within the month in which they fall due, the bond shall lapse to the Association and the name of the bondholder shall be struck off, and the amounts paid thereon till then forfeited to the Association in case the same is not got revived by the bondholder within three months from the date of default, on payment of all arrears with a penalty of one anna per Rupee per month.

Forfeiture, Revival and penalty.

Eligibility of bondholders to participate in the drawings.

17. (a) The bondholders who will have paid-up their bond amountsfully before 1st January and also those who have not completed the payment of their bond amounts before the said 1st January, but will have paid all the due monthly instalments and interest till the end of a calendar year without anything in arrears, shall be qualified to participate in the drawings of the said calendar year.

(b) Those persons that take up bonds subsequent to January in a calendar year and who pay interest at As. 4 per bond per month from 1st January upto the end of the month in which the bonds will be allotted to them shall also be qualified to participate in the drawings provided the monthly instalments and further interest on their bonds payable during the said calendar year will not be in arrears.

Deduction of balance bond amount out of the loan advanced.

18. If the name of any partly paid-up bond-holder is drawn, the balance amount due on his bond shall be deducted out of the loan amount to be paid to him.

Refund of bond amount to the bondholders.

19. No bond-holder in any series shall be entitled to the refund of his bond amount until his bond is drawn, but he shall be allowed to adjust his bond amount out of the last instalments payable by him on account of the loan advanced to him.

Non-inclusion of the drawn bonds in subsequent drawings and when bond-holders cease to be such.

20. The bonds once drawn shall not be included in the subsequent drawings and the drawn bond-holders shall cease to be the holders of their bonds after they liquidate the loan amounts advanced to them.

Rights of the heirs of the deceased and other bond-holders.

21. The legal heirs of the deceased bond-holders or of those who become lunatic or of unsound mind shall have the same rights and privileges as if they had been original bondholders.

Security to be furnished by the drawn bond-holders if required by the Directors.

22. The Directors, before the grant of loan to any drawn bondholder, may, at their discretion, ask the said bondholder to furnish a personal guarantee of any respectable person for the repayment of the loan amount in case of the bond-holder's death before the repayment of the said loan amount, or to take up a life policy to the extent of the loan amount in his name in any Life Assurance Company approved by the Association on payment of the first year's premium and keep the said policy deposited with the Association as security for the loan amount advanced so that the unpaid loan amount may be adjusted out of the assured amount and the balance paid to the heirs or the nominees of the bondholder in case of his previous death, to avoid litigation which would otherwise arise.

When unpaid loan amount becomes immediately payable.

23. In case any bondholder, after the receipt of the loan amount, discontinues the payment of his instalments for three consecutive months or allows his policy deposited with the Association to lapse owing to the non-payment of his premiums on due dates, the unpaid loan amount shall become immediately payable by him to the Association.

Holding drawings in places other than the Head Office.

24. If there will be not less than 100 bondholders eligible for drawing in any Province or principal town, the Directors may, at their discretion, allow a drawing of the bondholders of that Province or the principal town to be held therein and the names of the bondholders of the said Province or the principal town as the case may be shall not be included in the drawings to be held at the Head Office of the Association if the drawing is held in the said Province or principal town. The examples given under Articles 12 and 13 shall apply to each of the said drawings held separately.

Opening branches in

25. After the Provincial Board is organised in a Province, the Directors

may open a Branch of the Association in the said Province under the management of the said Provincial Board subject to the control and supervision of the Directors. The Directors, if they deem it advisable, may even transfer the accounts of all the bond-holders in the said Province to the said Branch Office and authorize the Provincial Board to issue bonds from the said Branch Office alone.

other Provinces, transfering of bond-holders accounts to the said branches and authorizing the issue of bonds by them.

26. The principal amount of bonds to be collected from the bond-holders shall form a separate fund called 'The Personal Investment Fund' and such fund shall be as absolute security for the bond-holders.

Personal Investment Fund and sole charge of the bond-holders thereon.

27. The bond-holders of the Association in a Province shall have a preferential lien on the funds collected and invested either in the Government of the said Province or in the securities guaranteed by the said Provincial Government.

Preferential lien of the bond-holders on the funds collected in each Province.

28. The Directors may, if they think it advisable, issue any number of series of bonds of higher or lower denomination and give the benefits to the holders of the said bonds proportionately.

Issue of bonds of higher or lower denomination with proportionate benefits.

29. The Directors may, whenever they deem it necessary, issue separate series of bonds for each Province, or community as they shall think fit.

Separate series for each Province or Community.

## V. CHARITABLE INSTITUTIONS.

30. The Directors shall start Charitable Institutions for feeding the disabled and nourishing the suffering poor at Mysore and also in each and every Province or Principal town throughout India, Burmah and Ceylon and 50 per cent. of the interest accruable on the bondholders' funds of the Association shall be exclusively utilized for the maintenance of the said institutions.

Where Charitable Institutions are to be started and how maintained.

31. If there will be any surplus out of the above said 50 per cent. interest after meeting the expenses of such institutions, the Directors may utilize the same for aiding the Educational, Medical, Religious and other similar charitable institutions as they think fit.

Surplus of 50 per cent. interest to be utilized for aiding Educational, Medical, Religious and other institutions.

32. Fifty per cent. of the interest accruable on the funds to be collected from one lakh bondholders of the first series shall be exclusively utilized for aiding the Educational Institutions and Students' Homes to be established throughout India by His Holiness Sri Jagadguru Sivananda Rajendra Sivacharya Mahaswami of Rambhapuri, and the amount thus allotted shall be allocated by a Committee consisting of His Holiness as President and the Directors of the Association as the members of the said Committee.

Utilization of half of the interest accrued on the funds of the first series.

33. If there will be not less than 2,000 fully paid-up bondholders in a Province, District, Taluk or town, the Directors shall at once organize a Provincial or Local Board, as the case may be, in the said Province, District, Taluk or town and make necessary arrangements for starting a charitable institution therein as mentioned in Article No. 30. In case a charitable institution is so started in a Province, District, Taluk or town, 50 per cent. of the interest accruable on the funds of the bondholders in the said Province, District, Taluk or town shall be utilized exclusively for maintaining the charitable institution in the said Province, District, Taluk or town alone.

When charitable institutions to be started and how they are to be maintained.

## VI. MANAGEMENT OF BUSINESS.

34. Mr. M. L. Nagannah shall be and he is hereby appointed as the Chief Organizer of the Association in terms of the agreement, a draft whereof, is set out in the schedule hereto. He shall do everything necessary

Appointment of the Chief Organizer.

for the promotion, registration, formation and establishment of the Association, and also he shall have power to pay and charge to the Capital account all the legal costs, charges and expenses of and incidental to the same.

Association to enter into agreement and agreement to be sealed by the Association.

35. The Association shall enter into the abovesaid agreement with Mr. M. L. Nagannah and the Directors shall forthwith, after the incorporation of the Association, affix the seal of the Association to the said agreement. The Association is formed on the basis that the said agreement shall be entered into and every member of the Association, present or future, shall be deemed to have noticed the provisions of the agreement and to have assented to the terms thereof

Duties of the Secretary.

36. The business of the Association shall be carried on by the Secretary of the Association at Mysore in the name of the Association in the ordinary course, under the control and directions of the Chief Organizer, subject to the Regulations of the Association and bye-laws of the Board of Directors and all receipts signed by the Secretary shall be valid and sufficient to all intents and purposes. The Secretary of the Association shall cause all various disbursements made in carrying on the business of the Association with the previous sanction of the Chief Organizer and shall cause proper accounts kept of all the transactions of the Association. The Secretary, at the end of every calendar year, shall settle and adjust accounts of the Association with the Board and Auditors and shall make out a Balance Sheet and all the Returns and statements required by the Acts to be audited and signed as the Acts require.

Secretary to be in charge of the Head Office.

37. The Secretary shall be solely in charge of the Head Office of the Association and keep all books, documents, papers, accounts etc belonging to the Association in such form as the Chief Organizer directs. The Secretary shall also keep all letters signed by him and shall submit to the meetings of the Association and of the Directors and the Committee, requiring the attention of these bodies.

The Secretary to comply with the provisions of the Acts and Regulations of the Association.

38. The Secretary shall duly comply with the provisions of the Acts and the Regulations of the Association and he shall submit all the necessary returns to the Registrar as well as to the members of the Association then and there in due time in compliance with the said Acts and Regulations.

General Management in the hands of the Chief Organizer.

39. The general management of the business of the Association, subject to the control and supervision of the Directors, shall be in the hands of the Chief Organizer of the Association, who shall have power and authority on behalf of the Association, subject to such control and supervision, to do all other things usual, necessary or desirable in the management of the affairs of the Association or in carrying out its objects, and shall have power to appoint and employ, in or for the purpose of the transaction and management of the affairs and business of the Association, or otherwise for the purpose thereof, with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise, as he shall think fit, and from time to time to remove or suspend the Secretary, Managers, Officers, Chief Agents, Agents, Clerks and other employees as he shall think proper.

Chief Organizer to have power to sub-delegate

40. The Chief Organizer shall be authorized to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him either by these Articles or by the Directors, and in particular, from time to time appoint an Attorney or Attorneys, for the management and transaction of the affairs of the Association in any specified locality, in such manner as he may think fit.

Endorsement of

41. All Government securities held by the Association, and requiring

the endorsement of the Association, shall be endorsed for and on behalf of the Association by the Secretary, the Chief Organizer and the Chairman of the Board of Directors. Cheques or orders for payment (including that of interest accrued on the Government Securities) given to the Association's bankers for collection, and requiring endorsement of the Association, may be endorsed, on its behalf, by the Secretary alone or such other officer authorized by the Board, and in case the said cheques or orders for payment are to be encashed, the same shall be signed by the Secretary and countersigned by the Chief Organizer.

bills etc.

42. The Chief Organizer shall act as the Superintendent of all the charitable institutions started and aided by the Association.

The Chief Organizer to be the superintendent of all charitable institutions.

## VII. GENERAL MEETINGS.

43 The General Meeting shall be held once at least in every calendar year at such time, not being more than 15 months after the holding of the last preceding General Meeting at such place in Mysore as may be determined by the Directors. Such General Meetings shall be called 'Ordinary Meetings' and all other meetings of the Association shall be called 'Extraordinary Meetings.' 15 clear days' notice at least shall be given to the members for every General Meeting, ordinary or extraordinary.

Ordinary and Extraordinary General Meetings to be held.

44. Five members present in person and entitled to vote, shall be a quorum for an Ordinary General Meeting while the quorum for an Extraordinary General Meeting shall be not less than ten members present in person and entitled to vote.

Quorum.

45. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting. If their be no chairman or if at any meeting, he shall not be present within half an hour after the time appointed for holding such meeting, or is unwilling to act, the Directors present may choose a Chairman, and in default of their doing so, the members present shall choose one of the Directors to be chairman, and if no Director be willing to take the Chair, shall choose one of their number to be Chairman.

Chairman of the General Meetings.

46. Where it is proposed to pass a special resolution, the two meetings may be convened by one and the same notice, and there shall be no objection to such notice as it only convenes the second meeting contingently on the resolution being passed by requisite majority at the first meeting.

Two meetings convened by one notice.

47. The accidental omission to give notice of any meeting to any of the members shall not invalidate any resolution passed at any such meeting.

Ommission to give notice.

## VIII. DIRECTORS.

48. Until otherwise determined by a General Meeting, the number of Directors shall be not less than 4 and not more than 7 excluding Bondholders' Representative. The subscribers of the Memorandum of Association shall be the first Directors of the Association. They shall continue as such until they resign or any others are elected in their place in the first or subsequent General Meetings subject to the provisions of any agreement between all or any of them and the Association.

Number of Directors and first Directors.

49. As soon as there will be 2,000 fully paid-up bondholders, the Directors shall apply either to the Government of Mysore or that of India for the appointment of a Bondholders' Representative on the Board of Directors to watch the interests of the bondholders. The said appointment may be made by the Government once in every year, or otherwise as they shall think fit. The Bondholders' Repre-

Election of bondholders' representative by the Government to be on the Board and his remuneration.

sentative shall be entitled to the same privileges and remuneration as any other Director of the Association.

Power of Directors to appoint additional Directors.

50. The Directors shall have power, at any time, and from time to time, to appoint any other qualified person as a Director, either to fill up a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not, at any time, exceed the maximum number fixed.

Qualification of each Director and when the office of a Director to be vacated.

51. The qualification of a Director shall be the holding of at least 20 shares in the Association to the nominal value of Rs. 1000/-. The Office of a Director shall **ipso facto** be vacated if he ceases to hold the number of shares required to qualify him for office, or if he becomes a defaulter on account of non-payment of two instalments consecutively or if he is convicted for any offence involving moral turpitude.

Remuneration of Directors.

52. A Director shall be paid by way of remuneration for his services a sum of Rs. 25 for each meeting of the Board and a sum of Rs. 12-8-0 for each meeting of the Committee attended by him and all the Directors including Bondholders' Representative (if any nominated) shall, in addition, receive 10 per cent of the net profits of the Association every year to be divided equally among them. Until the business of the Association is commenced, the Directors shall not be entitled to any meeting fees and even after the business is commenced, they shall be entitled to only half of the meeting fees specified above till the whole capital of the Association is fully subscribed.

Travelling expenses of the Directors.

53. The Directors may allow and pay to any Director who is not a bona-fide resident of Mysore and who shall come to Mysore for the purpose of attending the meeting, such sum as the Directors may consider fair compensation for his travelling expenses in addition to his fee for attending such meeting as above specified.

Power of Director to retire.

54. A Director may retire from office after giving three months' notice in writing to the Association of his intention so to do, and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.

Who is to call the meeting of Directors and Committee of Directors.

55. The Secretary on the requisition of the Chief Organizer or of the majority of the Directors, shall at any time, summon the meeting of the Directors or of the Committee of Directors.

Quorum and number of meetings.

56. Unless otherwise determined by the Directors, the quorum of the meeting of the Board or the Committee of the Directors, shall be three. In a calendar year, the meetings of the Board shall not be more than two and those of the Committee shall not be more than twelve, except in emergent cases

Resolution without Board Meeting valid.

57. A resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

Appointment of the Committee.

58. The Directors shall appoint a Committee consisting of the Chief Organizer, the Bondholders' Representative ( if any nominated ) and two of the other Directors for conducting the business of the Association and all acts done by the said committee in conformity with the Regulation but not otherwise, shall have the like force and effect as if done by the Directors unless any of such powers are specifically restricted by the Board.

Powers and duties of the Committee.

59. The Directors may, from time to time, entrust to and confer upon the said Committee such of the powers exerciseable under these presents by the Directors as they may think fit and may confer such powers for such

time and to be exercised for such object and purposes and upon such terms and conditions, and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of, and substitution for, all or any of the powers of the Directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Meetings of the Committee.

60. The Committee shall in the exercise of powers so delegated, conform to any Regulations that may, from time to time, be imposed upon it by the Directors. The meetings and the proceedings of the said Committee shall be governed by the Regulations provided for conducting the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any Regulations made by the Directors.

Resolutions of the Committee requiring the approval of the majority of the Directors.

61. All the resolutions passed in a meeting of the Committee concerning matters of which powers are restricted by the Directors shall be circulated to all the Directors of the Association who are not members of the Committee for approval by post or otherwise and such resolutions as will meet the approval of the majority of them shall be given effect to.

Minutes of proceedings of the Association and of the Directors and Committee to be kept.

62. The Directors shall cause minutes to be made in books provided for the purpose,

1. of all the appointments of the officers and Committees made by the Directors;

2 of the names of the Directors present at each meeting of the Directors and of Committee of Directors;

3. of all orders made by the Directors and Committee of Directors;

4. of all resolutions and proceedings of General Meetings, and all meetings of the Directors and Committee.

Minutes of proceedings if signed by the Chairman shall be received as prima-facie evidence.

63. Any such minutes of any meeting of the Directors or of the Committee or of the Association, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall be received as prima-facie evidence of the matters stated in such minutes.

Secretary to send copies of resolutions of meetings to all the Directors.

64. The Secretary of the Association shall act as the Secretary of all the meetings of the Directors and of the Committee of Directors and he shall be in charge of the Minutes book. Copies of all resolutions and proceedings of every meeting of the Directors or of the Committee of Directors shall be sent to all the Directors of the Association within a week from the date of such meeting, and every copy shall be certified by the Secretary and the Chairman of the Meeting as true copy of the said resolutions and proceedings.

## IX. POWERS OF DIRECTORS.

Powers of Directors.

65. The Directors, in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Association, and are not hereby or by law expressly directed or required to be exercised or done by the Association in General Meeting; but subject, nevertheless, to the provisions of the said Act and under these presents, and to any Regulations from time to time made by the Association in General Meeting; provided that no Regulation so made shall invalidate a prior act of

the Directors which would have been valid if such Regulation had not been made.

Express powers of the Directors,

66. In furtherence and in not limitation of, and without prejudice to the general powers conferred by these Articles, it is hereby expressly declared that the Directors shall have the following powers, that is to say, power:—

to pay preliminary expenses.

(a) to pay and to charge to the Capital Account of the Association the Legal costs, charges and expenses of and incidental to the promotion, registration, formation and establishment of the Association,

to execute agreement.

(b) to execute or cause to be executed on behalf of the Association an agreement in terms of the draft thereof already prepared and purporting to be made between the Association of the one part and Mr. M. L. Nagannah of the other part, which draft is set out in the Schedule hereto,

to execute other agreements.

(c) to execute or cause to be executed on behalf of the Association an agreement or agreements with any person or persons for conducting and furthering the business of the Association upon the terms and conditions as they think fit,

to organize Provincial and Local Boards, Branches & Agencies.

(d) to organize Local and Provincial Boards, Branches and Agencies within and beyond the limits of India, Burma and Ceylon whenever the Directors deem it necessary, on such terms and conditions and also with such powers and duties as the Directors may, from time to time determine,

foreign business.

(e) to take all necessary steps for registering the Association in conformity with the laws of any foreign State or British Colony or Dependency and apply for and accept all statutes, laws or Decrees of the Government or authorities thereof necessary or expedient for enabling the Association to carry on business w thin the jurisdiction of such State or Colony or Dependency, and for the purpose of transacting business or of getting the advantage of business transactions abroad, to form and carry subsidiary company ,English, Colonial or Foreign and to subscribe for or purchase and hold or dispose of the whole or any part of the capital of such company and to use any subsidiary company as Agency or Branch,

to pay expenses for formation of such companies,

(f) to pay out of the capital of any such company all fees, costs, charges and expenses which may be incurred, or sustained in connection with the promotion and registration of any such company, or in connection with any other matter relating thereto,

to appoint and remove officers and others.

(g) to appoint and at their pleasure to remove or suspend (subject to the provisions of any agreement between them and the Association) Secretaries, Managers, Officers, Local and Provincial Directors, Chief Agents, Agents, Clerks and other employees for permanent or temporary or special services as they may from time to time, think fit and to determine their powers and duties and fix their salaries or emoluments and to acquire security in such instances and to such amount as they think fit,

(h) to enter in the name and for the purposes of the Association into such contracts as they may, in the exercise of discretion, consider necessary, including the accepting, making and negotiating of bills of exchange, promissory notes or other similar obligations, — to enter into contracts

(i) to institute, conduct, defend, compromise and abandon any legal proceedings by or against the Association or its officers or otherwise, concerning the affairs of the Association, — to institute legal proceedings.

(j) to refer to arbitration any claims or demands of or against the Association or any differences between the Association or the Board and other persons, and to perform and observe the awards therein or to contest the same if thought expedient, — to refer to arbitration.

(k) to issue in their absolute discretion the whole or any part of the shares for the time being forming part of the capital of the Association as and when and subject to such terms and conditions and either at par or at such premium, and to such person or persons, to the exclusion of any other persons or class of persons as the Board, acting in pursuance of these presents, may deem it necessary, proper or expedient in any circumstances whatsoever, — to issue shares.

(l) to purchase, hire, rent or otherwise acquire at any place whatever, such lands, houses and buildings, as they consider advisable for the purposes of the Association and to pull down, remove, alter and convert any such houses or buildings and to fit up and furnish, and insure against loss by fire all or any such houses or buildings, with or without fittings and furniture, and to let or demise or give possession of, the whole or any part of the same whether fitted up or furnished or otherwise to such person or persons and upon such terms as to tenancy and occupation, as they consider advisable in the interests of the Association and the promotion of or carrying on its business, — to acquire lands and buildings.

(m) to let, mortgage, sell or otherwise dispose of any property of the Association either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit, and to accept payment or satisfaction for same in cash or in the Association debentures or in fully paid-up or other shares of the Association or partly in cash and partly in such debentures or shares or in such other manner as the Board deem expedient, — to mortgage and sell property.

(n) to buy or procure the supply of all plant, machinery, materials, stores, fuel, implements, apparatus, furniture and other moveable property required for the purposes of the Association, — to purchase machinery etc. for the use of the Association.

(o) to raise or borrow money for the purpose of the Association on the mortgage of its property or any part thereof or otherwise, and either including any part of the capital of the Association paid or unpaid, and either on any bond or debenture payable to bearer or otherwise, or on any call or any of such securities and at such rate of interest and re- — to borrow money.

payable in such manner and generally upon such terms as the Board shall think fit,

to pay debts and claims.

(p) to pay and satisfy all debts due from and all liabilities of and claims and demands against the Association,

to delegate and sub-delegate powers etc.

(q) to delegate to any person or persons any of the powers, authorities and discretions vested in the Directors and also authorise him or them to sub-delegate,

to issue power of Attorney

(r) to appoint by power of attorney any person or persons to be the attorney or attorneys of the Association for such purpose and with such powers, authorities and discretions and for such period and subject to such conditions as the Directors may, from time to time, think fit,

to appoint Trustees.

(s) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Association in which it is interested or any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such Trustee or Trustees,

to authorize acceptance etc.

(t) to determine the person or persons who shall be entitled to sign on behalf of the Association bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents,

to give security by way of indemnity.

(u) to execute in the name of and on behalf of the Association in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Association, such mortgages of the Association's property present and future, as they think fit and any such mortgage may contain the power of sale and such other powers, covenants and provisions as shall be agreed upon,

to invest funds of the Association.

(v) to invest the funds of the Association from time to time in any Government Securities, to vary such invesments and to execute all assignments, and tranfers, receipts and documents that may be necessary or expedient in that behalf,

to pay commission and profits.

(w) to give to any person employed by the Association a commission or share in the general profits of the Association on any particular business done by him such commission or share of profits being treated as part of working expenses of the Association,

to frame bye-laws.

(x) to make bye-laws in conformity with these Articles to provide for cases and conditions not provided for herein and

general.

(y) generally to do, sanction and authorise all such matters and things as may be necessary to be done in or about conducting the affairs of the Association or carry into effect all or any of the objects or powers of the Association as expressed in the Memorandum of Association, or in and about the execution of all or any of the powers herein before conferred upon the Directors.

## X. SEAL.

The seal, its custody and use.

67. The Directors shall provide a common seal for the purposes of the Association, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Directors shall provide for the safe custody of the seal for the time being and the seal shall never be used except by the authority of the Directors or the Committee of Directors previously given.

Deeds.

68. All deeds, certificates or other instruments executed on behalf of the Association, shall be in such form and contain such powers, provisos, conditions, covenants, clauses and agreements as the Directors shall think fit and in addition to their being impressed with the seal of the Association, they shall be signed by the Secretary and counter-signed by the Chief Organizer or any other Director appointed by the Board; in case the said certificate, deed or instrument is in favour of either the Secretary or the Chief Organizer, it shall be signed by any two of the other Directors.

## XI. AUDIT.

Accounts to be audited annually.

69. Once at least in every calendar year the accounts of the Association shall be examined and the correctness of the Profit and Loss Account and the Balance Sheet ascertained by one or more Auditor or Auditors.

Audit provisions; rights and duties of auditors.

70. The Association, at each Ordinary General Meeting, shall appoint an Auditor or Auditors to hold office until the next Ordinary General Meeting and their remuneration, rights and duties shall be regulated by Sections 144 and 145 of the Mysore Companies Regulation.

Audit of accounts by the auditor appointed by the Government.

71. As soon as the Association secures 2,000 fully paid-up bondholders, the Directors shall apply to the Government of Mysore for the appointment of an auditor on behalf of the bondholders for auditing the accounts of the Association in addition to their being audited by the Auditor appointed by the Shareholders. If the Government appoints such an auditor, such remuneration as the Government direct, shall be paid to him by the Association.

When accounts to be deemed finally settled.

72. Every account of the Directors when audited and approved by the General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered, within that period, the accounts shall forthwith be corrected and thenceforth shall be conclusive.

Destruction of records relating to the period previous to 3 years.

73. The Secretary, at the end of every calendar year may, with the previous sanction of the Board, destroy files of correspondence, vouchers and other papers which will be relating to the period previous to three years and also not required for any future reference they being unnecessary and unimportant.

## XII. NOTICES.

How notices are to be served on members.

74. The notice may be served by the Association upon any member, either personally or by sending it through the post in a prepaid card, letter, envelope or wrapper, addressd to such member at his registered place of address.

Members residing abroad.

75. Each holder of registered shares whose registered place of address is not in India, Burma or Ceylon, may from time to time, notify in writing to the Association an address in India, Burma or Ceylon, which shall be deemed his registered place of address within the meaning of the last preceding clause.

Notices where no

76. As regards those members who have no registered place of address

in India, Burmah and Ceylon, a notice posted up in the Office shall be deemed to be well served on them at the expiration of 24 hours after it is posted up.

Notice to joint-holders.

77. All notices shall, with respect to any registered shares to which persons are jointly entitled, be given to whichever of such persons is first named in the register and notice so given shall be sufficient notice to all the holders of such shares.

When notice by post deemed to be served.

78. Any notice sent by post shall be deemed to have been served on the day on which the card, letter, envelope or wrapper containing the same is posted and in proving such service, it shall be sufficient to prove that the card, letter, envelope or wrapper containing the notice was properly addressed and put into the post office. A certificate in writing signed by the Secretary, Manager or other officer of the Association that the card, letter, envelope or wrapper containing the notice was so addressed and posted shall be conclusive evidence thereof.

Notice by advertisement in newspapers.

79. The Notice of the General Meeting whether ordinary or extraordinary, may be given to the members by advertisement only once in two daily newspapers one of which should be a local newspaper and the other should have publication in British India. If the notice is so given by advertisement, the notice shall be deemed to have been served upon the members on the day the said notice will be published in the said papers.

Transferees etc. bound by prior notice.

80. Every person who, by operation of transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such shares which, previously to his name and address being entered in the register, shall be duly given to the person from whom he derives his title to such share.

Notice valid though members deceased.

81. Any notice or document sent by post to, or left at the registered address of, any member, in pursuance of These Presents, shall, notwithstanding such member being then deceased, or whether or not the Association has notice of his decease, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder thereof, and such service shall for all purposes of These Presents be deemed sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any, jointly interested with him, in any such shares.

How notice to be signed.

82. Any notice to be given by the Association shall be signed by the Secretary or by such other officer as the Directors may appoint and the signature thereto may be written, printed or lithographed.

## XIII. DIVIDENDS AND RESERVE.

Payment of dividends to shareholders

83. The Shareholders shall be entitled to the dividends out of the profits of the Association provided they will have paid up their full share amounts before the end of the year for which the dividends will be declared.

Unclaimed dividends

84. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Association until claimed and all dividends unclaimed for three years after having been declared, may be forfeited by the Directors for the benefit of the Association.

Reserve Fund.

85. The surplus amount of interest accrued on the bondholders' fund (after transferring the prescribed amount to the Drawing and Charity Funds

as herein-before mentioned) every year, plus the admission fees, cost of bond and penalty payable by the bondholders as also the amount of loans re-payable by the drawn bondholders, less all the working expenses of the Association and the dividends payable to the Shareholders shall be the Reserve Fund of the Association.

When Charity Fund can be appropriated for working expenses.

86. If in any year the working expenses of the Association exceed the surplus amount of interest and other incomes of the Association as mentioned in the last preceding Article, the Directors shall appropriate a portion of interest amount transferable to the Charity Fund for that year so as to cover the expenses incurred in excess during that year in case they find that the same cannot be met out of the existing Reserve Fund.

Appropriation of forfeited shares and bonds amount.

87. Till the preliminary expenses are entirely written off, the amount of forfeited shares and bonds shall be transferred to the Profit and Loss Account of the Association while the same shall be transferred to the Reserve Fund of the Association thereafter. The transfer of the forfeited shares amount shall be effective only after the shares so forfeited are re-issued by the Association.

Appropriation of Reserve Fund.

88. The Directors may, from time to time, apply the Reserve Fund, if any, or such portion thereof as they think fit, to meet contingencies or losses or for equalizing dividends or for repairing and maintaining buildings and premises of the Association or any part thereof or for any purpose of the Association which they may, from time to time, deem expedient.

## XIV. INVESTMENT OF FUNDS.

General Banking accounts.

89. The Directors shall cause the banking account or accounts of the Association to be kept in the name of the Association with such bank or bankers as the Directors from time to time, determine and every sum paid on behalf of the Association amounting to Rs. 100 or upwards (except payments made from suspense account) shall be paid by cheque drawn on the bank or bankers of the Association and signed by the Secretary of the Association and countersigned by the Chief Organizer and the Chairman of the Board of Directors.

Suspense Account with the bank.

90. The Directors may, if they think fit, open an account with the local bankers of the Association to be called the Suspense Account and may place a sum not exceeding Rs. 1000 to the credit thereof and may authorize the Secretary and the Chief Organizer alone to operate on such account for the purposes of the Association and the Board shall, at each of their Meetings, examine and audit the suspense account and may, if they think fit, replace the amount which has been drawn from that account or so much thereof as they deem expedient by transferring to that account from the General Funds of the Association a sum equal to the amount which has been so drawn out or by such other means as they think fit.

Authority of Board for payment.

91. No payment other than payment from the Suspense Account shall be made without the authority of the Board or the Committee of the Directors

Investment of paid-up capital.

92. The paid-up capital of the Association shall be invested entirely in the Personal Investment Department of the Association and the said Department shall issue Personal Investment Bonds in favour of the Shareholders in lieu of the Share amounts to be invested therein so that the shareholders also may enjoy the privileges of the bondholders as mentioned in Article No. 8.

Investment of personal Investment Funds.

93. The Personal Investment Funds (that is, the principal amount of bonds to be collected from the bondholders) shall be invested entirely and also

perpetually either in the Government of Mysore or in either Indian or Foreign Government at a minimum rate of six per cent. interest per annum. In case no Government is willing to receive the abovesaid funds as perpetual deposit at the abovesaid rate of interest, the said Personal Investment Funds shall be invested entirely in the securities guaranteed by any of the said Governments.

Appointment of Official Trustee or Trustees, and the Government securities to be kept in safe custody.

94. If the Government securities are purchased by the Association as mentioned in the last preceding Article, they shall be held for safe custody by an Official Trustee or Trustees appointed for the purpose by either the Government of Mysore or any other Government, either Indian or Foreign or both.

Government Securities to be deposited with the Bankers of the Association.

95. Till the Official Trustee or Trustees are appointed by the Government, all the Government securities purchased by the Association shall be kept deposited with the Bank or Bankers of the Association for safe custody.

Funds invested in and Official Trustee appointed by Local Governments.

96. If there will be not less than 2,000 fully paid-up bondholders in any Province, the Directors may invest the funds collected from the bondholders in the said Province either in the said Provincial Government or in the Securities guaranteed by such Government and they may allow the said Government Securities to be held for safe custody by an Official Trustee appointed by the said Government alone

Investment of Reserve Fund.

97. The Reserve Fund of the Association together with interest accruable thereon shall be utilized in purchasing or constructing buildings for the Head Office, Chief Agency Offices and Charitable Institutions of the Association and the surplus Reserve Fund, if any, shall be invested in such securities as are determined by the Board from time to time.

## XV. INDEMNITY AND RESPONSIBILITY.

Directors' and others' rights indemnified.

98. Every Director and other Officer or servant of the Association shall be indemnified by the Association against, and it shall be the duty of the Directors, out of the funds of the Association to pay all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or deed done by him as such officer or servant, or in any way in the discharge of his duties, including travelling expenses and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Association and have the priority as between the members over all other claims.

Not responsible for acts of others.

99. No Director or other officer or servant of the Association shall be liable for the acts, proceeds, neglects or defaults of any other Director or officer or servant or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Association through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Association or for the insufficiency or deficiency in any security to or upon which any of the monies of the Association shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by an error of judgment oroversight on his part, or any other loss, or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

## XVI. SECRECY CLAUSE.

Secrecy Clause.

100. Every Director, Auditor, Secretary, Officer, servant, agent, accountant or other person employed in the business of the Association shall,

before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Association with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Directors or by any meeting, or by a Court of law, or by the person to whom such matters relate, and except so far as may be necessary in order to comply with any of the provisions contained in These Presents.

# SCHEDULE.

(Draft agreement referred to in clause No. 3 (n) of the Memorandum and Articles Nos. 34, 35 & 66 (b) of the Articles of Association)

This Agreement made and entered into this day of 1926 between the All India Co-operative and Charitable Association Ltd., an Association registered under the Mysore Companies Regulation No. VIII of 1917 and having its Registered Office situate in Mysore (hereinafter called 'the said Association') of the one part and Mysore Lingannah Nagannah residing in Old Agrahar, Krishnaraj Mohallah, Mysore (hereinafter called 'the said Mr. M. L. Nagannah') of the other part, WITNESSETH THAT

Whereas it is provided in the Memorandum and Articles of Association of the said Association that the said Mr. M. L. Nagannah shall be the Chief Organizer of the Association and the Directors of the said Association are authorized by the said Articles of Association to execute or cause to be executed on behalf of the Association, this present agreement and whereas the said Association was registered on the day of 1926, it is hereby mutually agreed by and between the parties hereto and their successors and assigns in manner following, that is to say:—

1. The said Mr. M. L. Nagannah, his successors and assigns shall be the Chief Organizers of the said Association for a period of 25 years from the date of the registration of the said Association and thereafter until they of their own free will resign.; and it is expressly agreed and declared by and between the parties that the appointment of the said Mr. M. L. Nagannah as such Chief Organizer shall not, during the continuance of this agreement, be revoked or cancelled on any ground or for any reason whatsoever save and except upon his being found guilty of fraud upon the said Association, by a competent Court of Law.

2. The remuneration of the said Mr. M. L. Nagannah, as such Chief Organizer shall be as follows:—

   (a) From and after the commencement of the business of the said Association, an allowance of Rs. 100 per mensem and from and after the date when the capital of the said Association will be fully subscribed, an allowance of Rs. 200 per mensem or such other larger sum as may, from time to time, be fixed by the Directors as Office allowance.

   (b) A commission of 1 per cent. on the nominal value of shares and Personal Investment Bonds allotted by the Association on receipt of the application moneys.

   (c) A commission of 2½ per cent. on the interest realized by the Association on its invested Funds and from its bond-holders.

   (d) A commission of 2½ per cent. on the amount of instalments re-paid to the Association by the drawn bondholders on account of the loans granted to them.

3. If the said Association shall, at any time hereafter, carry on any business other than the Personal Investment business, the said Mr. M. L. Nagannah shall be paid such further remuneration as the Directors may deem fit.

4 The said Mr. M. L. Nagnnah shall be at liberty to canvass any business of the Association in any part of the world and not only he, on the business done by his own exertion, shall get full commission and bonus payable to the Chief Agents of the Associa-

tion on such business, apart from that mentioned in clause 2 (b) of this agreement but also none else shall have any right to claim any over-riding commission on the business done by him.

The head-quarters of the said Mr. M. L. Nagannah shall be in the city of Mysore and if he goes outside the Mysore city on account of the business of the Association i. e. either for organizing new Agencies and Branches or for inspecting the old ones, he shall be entitled to single second class railway fare for himself and single third class railway fare for his servant together with a bata of Rs. 5 per day for the number of days he stays outside on account of the business aforesaid.

Subject to the control and supervision of the Directors, the said Mr. M. L. Nagannah shall have the general conduct and management of business and affairs of the Association and shall exercise all the powers vested and to be vested in him either by the Association or by the Directors. He shall have power and authority on behalf of the Association subject to such control and supervision of the Directors, to enter into all contracts and to do all other things, usual, necessary or desirable in the management of the affairs of the Association or in carrying out its objects, and he shall have power to appoint and employ in or for the purposes of the transaction and management of the affairs and business of the Association or otherwise for the purpose thereof, Secretary or Secretaries, Manager or Managers, Officers, clerks and other employees with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise as he shall think fit, and to remove or suspend such Secretaries, Managers, Officers, clerks and other employees as he shall deem necessary.

The said Mr. M. L. Nagannah shall continue as a Director and also one of the members of the Committee of Directors of the Association as long as he continues to be the Chief Organizer of the Association and he shall not be subject to any rotation.

In the event of the said Association being wound up at any time for the purpose and with the object of transferring its business to another company, the said Association shall make it one of the terms and stipulations of their agreement for the transfer of their property and business to such other company as aforesaid that such other company shall appoint the said Mr. M. L. Nagannah to be the Chief Organizer of such new company and with like powers and authorities to the said Mr. M. L. Nagannah and on the same terms and conditions as to remuneration, emoluments and otherwise as are herein contained; it is hereby expressly agreed and declared that save and except with such commission and stipulation as one of the sale and transfer thereof, the said Association shall not sell and transfer their business to any other company.

In witness whereof, the common seal of the All India Co-operative and Charitable Association Ltd. and the hand of the said Mr. M. L. Nagannah hereunto affixed the day, month and year above-written.

mon seal of the All India Co-operative and Charitable Association Ltd. has been hereunto affixed and Mr..... has subscribed his signature to this agreement for and on behalf of the said Association pursuant to the resolution of the Board of Directors passed at a meeting of the Board held on.....1926.

In the presence of:—

MYSORE PRESS, MYSORE.

| Serial No. | Names and occupations of Subscribers. | Addresses of the Subscribers. | No. of shares taken | Nominal value of shares. | Names and addresses of witnesses. |
|---|---|---|---|---|---|
| | | | | | |

**Office of the Publicity Officer to Government.**
**Public Offices,**

*Bangalore, Dated, 5th February 1927.*

## PRESS COMMUNIQUE.

An association called "All-India Mutual Aid and Poor Houses Association Ltd.," has been established at Mysore, its principal organiser being one Mr.M.L.Nagannah. In the Prospectus and in the Memorandum of the said Association, certain statements are made raising an implication that Government will accept responsibility in the affairs of the Association in regard to the investment of funds, custody of securities, audit of accounts and so on. These statements are contained in paras 4 and 5 and in paras 49,71,93 and 94 of the Memorandum in pages 2 and 4 respectively of the Prospectus and there is throughout the Memorandum a general suggestion that scrutiny and supervision will be exercised by Government. These statements are calculated to create an undue sense of security in the mind of the public, resulting from an erroneous impression that the affairs of the Association will have the benefit of the supervision of Government.

2. Government hereby declare that they cannot accept a perpetual investment of funds, that they have no intention whatever of appointing a Trustee for the custody of securities and that they are not prepared to consider any application the Association may make, for the appointment of a Bond-holders' representative, or an auditor. All statements directly or indirectly conveying an impression that Government will exercise supervision over the Association with a view to safeguard the interests of shareholders or bond-holders are altogether unwarranted.

3. Government desire to bring these facts prominently to the notice of the public.

R. RANGA RAO,
*Publicity Officer to Government.*

D421

5419

By post.

CSK 26/2/27

Please put up suitable reply, CSK 26/2/27

28/2/27

OFFICE OF THE THIRD MEMBER OF COUNCIL. 28 FEB. 1927 No. 8-2-1

GEN. & REV. SECTION 1 MAR 1927 DEVELOPMENT BRANCH,

From The Chief Organizer
All-India Mutual Aid & Poor Houses Association Limited
MYSORE.

To C. S. Balasundaram Iyer, Esq., B.A.,
Third Member of Council to the
Government of His Highness
the Maharaja of Mysore, BANGALORE.

No. 2098-2101 Encls: 8

Dated 25 FEB 1927

---

Dear Sir,

With reference to the ---- abovesaid Association, we beg leave - to bring the following facts to your kind notice and request the favour of the Government issuing a favourable - order at their earliest convenience.

As the undersigned wanted to start the abovesaid Association at Mysore with an object of starting --- POOR HOUSES for feeding the disabled and nursing the suffering poor in all the principal towns throughout -- India, Burmah and Ceylon, he submit-- ted the Memorandum and Articles of -- Association to the Registrar of Joint Stock Companies in Mysore, Bangalore, on 22nd May 1926 for the first time for incorporation in accordance with Section 22 of the Mysore Companies -- Regulation No. VIII of 1917. As the Registrar after thorough scrutiny -- thought that the abovesaid documents

documents required some amendments, we had to resubmit the same --- finally on 26th June 1926 after making necessary amendments strictly in accordance with Law and also the instructions of the Registrar -- and consequently, the Registrar was pleased to register the said --- documents and issued the Incorporation Certificate of the Association on 8th July 1926 in compliance with Sections 22 and 23 (1) of the --- Mysore Companies Regulation. For your kind perusal, we have enclosed herein the amended copies of the Memorandum and Articles of Asso-- ciation as also that of the Incorporation certificate.

After the Incorporation of the Association, as required by - Section 92 (2) of the Mysore Companies Regulation, we filed copies of the English and Kannada prospectuses of the Association for the ---- first time on 10th August 1926 after complying with the requirements of Section 93 of the Mysore Companies Regulation. As the Registrar after careful scrutiny found that the requirement of Sub Section --- 1 (k) of Section 93 of the Mysore Companies Regulation had not been properly complied with and also some other amendments especially as regards the appointment of the Bondholders' Representative and an --- Auditor by the Government were necessary, we had to refile with the Registrar for the last time on 1st November 1926, the said Copies of the prospectuses after amending the same strictly in accordance with Law as also with the instructions of the Registrar to the very letter.

As the Registrar delayed acknowledging the receipt of the --- copies of the amended prospectuses, we had to send a reminder on 6th; November 1926 requesting him to acknowledge the copies of the prospectuses but to our great surprise and disappointment, he (the Registrar) instead of acknowledging and filing the said copies of the prospectuses wrote to us in his letter No.870 dated 9th November 1926 to say -- that the question of filing the same was receiving his attention and we should not publish the prospectuses till the receipt of his intimation for his having filed the prospectuses. But, as the Directors -- saw that as per Section 92 (2) of the Mysore Companies Regulation, we had only to file copies of the prospectuses with the Registrar on or - before the date of their publication but not to wait for either the --

the acknowledgment or intimation of the Registrar for his having -- filed the prospectuses, they (the Directors) in their meeting held - on 6th November 1926 passed a Resolution that the Association should publish the prospectuses without waiting for the Registrar's acknowledgment or intimation, as the said prospectuses had been amended -- strictly in accordance with Law and the instructions of the Registrar For your kind information, we have enclosed herein a copy of the --- Registrar's letter dated 8th November 1926 and that of the Directors' Resolution passed on 6th November 1926.

Subsequently, as we had received applications for more than - the required minimum number of shares, the Directors had to allot -- the said shares to the applicants on 6th November 1926 in compliance with Section 101 of the Mysore Companies Regulation. As we did --- comply with all the conditions mentioned in Section 103 (1) of the - Mysore Companies Regulation including the allotment of the minimum - number of shares, we submitted to the Registrar on 30th November 1926 the duly verified Declaration of the undersigned for having complied with all the said conditions as required by the said Section and requested him (the Registrar) to issue and send us the Business Commencement Certificate in compliance with Section 103 (2) of the Mysore Companies Regulation. But, the Registrar in his letter No.931 ---- dated 3rd December 1926 wrote to us to say that he could not take any action in the matter (i.e., in the issue of the Business Commencement Certificate) until the question relating to the filing of the pros--- pectuses was decided. For your kind information, we have enclosed - herein a copy of the Registrar's letter.

So, we, in our letter No.1805 dated 6/8th December 1926 ---- pointed out to the Registrar that in all matters connected with the - Registration, Formation and Promotion of the Joint Stock Companies -- In Mysore, both the Registrar and the said Companies should be guided by the Mysore Companies Regulation and its provisions strictly adhered to as the same were mandatory but not discretionary and as such he (the Registrar) could not defer the filing of the prospectuses and -- delay the issue of the Business Commencement Certificate on that ----

that ground, in the absence of any provision in the Mysore Companies Regulation to show that the filing of the prospectus and the issue of the Business Commencement Certificate were at the discretion of the Registrar contrary to Sections 92 (3) and --- 103 (2) though the provisions contained in Sections 93 and ---- 103 (1) had been strictly complied with respectively. We ---- further requested the Registrar in the same letter to kindly let us know if we were wrong in any way either legally or morally - and assured him that we would rectify the defects if any immediately on hearing from him. To our great misfortune, the Registrar has not been pleased either to issue the Business Commencement Certificate or/to let us know the reasons for the delay in --- issuing the same upto now, in spite of our repeated reminders, . though it is more than three months and a half since the copies of the prospectuses were filed finally with him and two months - and a half since the verified Declaration before commencing ---- business was submitted to him. For your kind information, a -- copy of our letter No.1605 dated 6/8th December 1926 is enclosed herein.

In addition to this, you know that in compliance with - the provisions made in the Memorandum and Articles of Associatio we have to invest all our funds entirely in the Government or -- Governments or in the Securities guaranteed by the said Govern--- ment or Governments. Until necessary arrangements are made wit either the Government of Mysore or that of India either for ----- accepting our funds perpetually as permanent deposit or for ----- appointing an Official Trustee to hold the Government Securities of the Association in his Safe custody, we wanted to invest our - funds in the Bank of Mysore Ltd,. and consequently applied to the Manager of the Bank to open a current account in the name of the Association, To our great surprise, the Bank refused to open - the account as requested though the Manager of the Mysore Branch had recommended and the Chairman of the Bank had said that there could be no difficulty in opening the account and he would ask --

ask the Manager to do so. On personal enquiry, the undersigned was told by the Chairman of the Bank that the Bank could not --- open the account in the name of the Association as per instruc-- tions given by a high functionery of the Government, whose name he would not give.

So, we had to apply to the Imperial Bank of India, Madras for opening an account and receiving our funds. The said Bank - was pleased to open an account in the name of the Association but wanted a copy of the Memorandum and Articles of Association duly certified by the Registrar before it could open. We therefore - submitted a stamped copy of the said Memorandum of and Articles - of Association to the Registrar with our letter No.057 dated 24th September 1926 for being certified and returned by him as per --- Section 248 (3) of the Mysore Companies Regulation. To our ---- great misfortune, though it is nearly five months since it was -- sent to the Registrar, he would not either certify and return the copy or let us know the reasons for the delay in so certifying in spite of our repeated reminders. In the meanwhile, on or about the 21st September 1926, the District Magistrate, Mysore District, sent for the undersigned and made him understand that the Govern- ment considered our scheme to be a lottery and he (the undersign- ed) would run the risk of being prosecuted by the Government in - case the Association was not closed. But, the undersigned could not be discouraged as he had been perfectly convinced of the ---- legality of the scheme. In these circumstances, you will see -- that the Government instead of giving due encouragement to this - indigenous concern especially in consideration of its having been started with an object of relieving the distress of the suffering humanity, are placing all sorts of impediments in the way of the Association for checking its progress. Consequently, the Associ- ation is incurring a heavy loss ever since it was incorporated as it cannot ~~continue~~ Commence its business without Business Commencement --- certificate but is to meet the Establishment charges for no busi- ness whatsoever. No doubt, the undersigned is not getting any-- thing

nything in form of allowance nor will he get the same even -- fter the commencement of business until the Association begin to make profits. The same case is with the directors also as th are working honorarily for the Association.

To add insult to injury, the Publicity Officer to the Government of Mysore, has issued a Press Communique on the 4th and 5th instants perporting that the provisions made by the --- Association in its Memorandum and Articles of Association are unauthorized and the Government are not inclined to patronize the Association, and the said Communique has been published by all the English and Vernacular Newspapers in the Mysore Provin as also in many leading Newspapers outside. As the said Communique has naturally left an impression in the minds of the - public that the provisions referred to in the same have been - made by the Association with an object of defrauding its const tuents but not of safeguarding them, it is needless to say tha the Communique has been a death blow to the progress of the -- Association. As mentioned in the enclosed copy of the rejoin er sent by us for publication in some MMM of the Newspapers in response to the abovesaid Communique, you will see that the -- notions of the Government are incorrect and they ought to have decided the matter and issued the Communique in case they coul not be satisfied with our explanations and the honesty of our purpose.

In this connection, we have to impress upon your mind that whenever a Company is to be started, according to Company - Law the objects of the Company should be stated in its Memoran- dum and the rules and regulations for the conduct of its busi-- ness should be stated in its Articles while the prospectus ---- should contain all the objects of the Company and the important particulars mentioned in the Articles. In the same way, as it it was our object that either the funds of the Association --- should be entirely and permanently invested in the Government -

Government or Governments, or the funds should be invested in the Government Securities and the said Securities should be held for safe custody by an Official Trustee or Trustees to be appointed by the Government or Governments, this had to find a place in the Memorandum and Articles as also in the prospectus. As regards the provision for the appointment of a Bondholders' Representative and an Auditor by the Government, the same had to be made in the Articles for the honest conduct of the business and it had to find a place in the prospectus also. It is not possible even to imagine for a moment by anybody ~~xxxxxxxxx~~ that these provisions were made to the advantage of the promoters but on the other hand, anybody can understand that the same has been made for ensuring the safety of the constituents of the Association and the perpetual running of the Institution.

As mentioned in the beginning of this letter, all the abovesaid three documents were thoroughly scrutinized by the Registrar and amended as per his instructions. If the Government had wanted to make any further amendments, we would have readily made them. Moreover, the undersigned was prompted to start this Association as he saw that the poor and helpless that are in distress in good number both in the Mysore Province and elsewhere were not being taken care of either by the Government or by the public and that there could not be any real and better worship of God other than to alleviate the misery of such suffering people. So, at the time of the incorporation of the Association, we never suspected that the Government would take the matter in the light in which they have taken now but on the other hand, we really thought that the Government would welcome such provisions as they are in the interest of the public at large and patronize the Association as the work that ought to have been taken up by the Government itself was to be undertaken by the Association.

Apart from the fact that the Charity to be undertaken by the Association is of the best kind and a perpetual one, the scheme devised for fulfilling the objects of the Association is based on the soundest possible principles without there being absolutely no risk or speculation whatsoever. As explained in the enclosed prospectus, the working of the scheme is briefly this. Every person desirous of partaking of the benefit of the charity to be done by the Association is to keep a sum of Rs.50/- deposited permanently with the Association free of interest by paying the said amount either in a lumpsum or by 60 monthly instalments of Re.1/- each. The Association will in its turn invest the said deposit amounts for interest in the Government or its Securities entirely and permanently. Out of the interest the Association gets from the Government on this investment, one half will be exclusively utilized for maintaining the Poor Houses. Out of the other half, two-thirds will be utilized for granting loans to the abovesaid deposit-holders without any interest repayable in 100 monthly instalments of Rs.10/- each per Rs.1,000/- and the remaining one-third plus the amount of instalments to be recovered from the loan recipients plus admission and other fees less all the working expenses of the Association will be the net profit of the Association every year. Out of this net profit, 50% will be distributed among those Bondholders who will not have received loans while the remaining 50% will be utilized ~~among those Bondholders who shall~~ for payment of dividends to the shareholders, creating Reserve Fund and profits to Directors.

According to our rules, as soon as there will be 2,000 Bondholders throughout India, Burmah and Ceylon, a Poor House will be started at Mysore and as soon as there will be 2,000 Bondholders in any Province, District or principal town, a Poor House will be immediately started therein. Because, if there will be 2,000 Bondholders in a particular locality, the Association

Association will have collected Rs.1,00,000 from these persons and gets Rs.6,000 interest by investing the said Rs.1,00,000 - either in the Government or in the Government Securities at an average rate of interest of 6% per annum. As 50% of interest that accrues on the Bondholders' money, is to be exclusively - utilized for maintaining Poor Houses, 50% of Rs.6,000 interest i.e., Rs.3,000 can be utilized for maintaining the Poor House to be started in that locality. As this Rs.3,000 works out - at Rs.250/- per month, 50 sickly and disabled persons at least can be fed in the said Poor House every day. Out of the re- maining Rs.3,000 interest, two loans of Rs.1,000/- each amount- ing to Rs.2,000/- will be granted to two Bondholders every year s determined in the drawings to be held in that locality itself. ' course, the balance Rs.1,000/- interest, plus the amount of - instalments to be recovered from the loan recipients, plus ----- mission etc., fees less the working expenses will be the net - efit of the Association and this net profit will be utilized - above said. It is needless to say that when the people of a rticular locality see that the charity is done in their very -- essence and some of them alone get loans on their personal Secu- ty without any interest, they of their own accord will come -- rward and contribute to the fund of the Association. When -- e number of Bondholders increases, the interest that accrues - the Bondholders' fund will necessarily increase and the number persons to be fed in the Poor House to be started in that ---- cality will be proportionately more. As it is not a difficult - ng to secure 2,000 Bondholders in a principal town and the --- ociation will have organized Provincial, District and Local - Agencies throughout India, Burmah and Ceylon, we are confident - that the Poor Houses will have been started in all the principal towns throughout the abovesaid places in course of a few years. -

The only legal and moral objections that can be raised are that our scheme amounts to a lottery in as much as the loans

loans are granted by means of drawings and those Bondholders who get loans earlier are benefitted more than those who get later - as the latter are to wait even for hundreds of years. In the - first place, mere holding a drawing does not make our scheme a - lottery according to Section 294 (A) of the I.P.C. as we hold -- drawings only for the grant of loans but not for any distribu--- tion of prizes. Supposing we do away with the drawing, the --- position as regards the grant of loans will not be bettered in - the least while on the other hand not only it would be very diffi- cult for the Directors to determine the names of the persons to whom the loans are to be granted as the number of loans to be granted - every year will be limited and all the Bondholders will be equally anxious to get the loans simultaneously but also the honesty of -- the Directors will be suspected and they will be ~~blamed~~ accused of favour- atism or partiality. You will therefore see that the object of - holding the drawings is to determine the names of the persons to - whom the loans are to be granted in order to save the Directors -- from unpleasantness and criticism as abovesaid but not to benefit a few and make many lose which is the gist of the offence owing to the fact that Bondholders who get loans once will not be entitled to get loans again as per rules and consequently all the Bondhold- ers will be entitled to loans in their turn one year or another as determined in the drawings. Even this (to benefit a few and make many loose) is overlooked in case of Companies started for mutual benefit. For instance, in an Insurance Company the holders of the -- Policyholders who die earlier will be gainers whereas those Policy holders who survive the period will be losers as the interest ---- earned by the Company on the premium amounts paid by the latter -- will make up the bonus amounts payable to the former. From this, it is clear that our scheme does not at all come under the category of a lottery as not only the benefit is mutual but also there will be none who will be losers in any way. Even from the moral point of view nothing can be said against our scheme. Because, 50% of the net profits of the Association will be distributed only among

among those Bondholders who will not have received loans and -- consequently the Bondholders who will have got loans will not be entitled to any profits. So, the Bondholders of the Association will have alternate benefits of either getting loans without any interest or having profits.

From the above, you will see that our scheme is free --- from all sorts of objectionable features and it is also practi-- cally workable as the amount to be contributed by each person is within the reach of both the poor and the middle class people. - As the Association will have solved the bigger problem which the Government had to solve, the Government cannot but consider that the Association is worth patronizing and deserves every possible help the Government can render. We know that the Government -- are receiving Charitable Endowments as permanent deposit at a -- fixed rate of interest. When our Association is a charitable concern, there can be no difficulty for the Government to accept our funds perpetually as permanent deposit. Of course, we know that the Government are not allowing 6% interest per annum on -- the Charitable Endowments but as the work undertaken by the ---- Association is that which ought to have been undertaken by the - Government, the Government can allow 6% interest on the funds of the Association as a special case. If the Government cannot -- find its way to accept our funds as permanent deposit at 6% or any lower rate they may be pleased to allow, there can be no --- difficulty to appoint an Official Trustee at the cost of the --- Association to hold the Government Securities of the Association for safe custody in consideration of our Association being a--- Charitable concern at least, when the Government of Bombay have appointed an Official Trustee for holding the Government Securi- ties of the Oriental Life Assurance Co., Ltd., in safe custody - though the same is not a charitable concern. As regards the -- appointment of the Bondholders' Representative and an Auditor by the Government, a separate application will be made soon after - there will be 2,000 Bondholders as per our rules.

Sd.

So, in kind and generous consideration of the facts submitted above, we beg to request most humbly and respectfully - that the Government may be graciously pleased not only to order the Registrar to issue the Business Commencement Certificate -- immediately but also to accept our funds perpetually as permanent deposit at the highest possible rate of interest or ------ appoint an Official Trustee for holding the Government Securities (in which the funds of the Association will be invested) - in safe custody. In the meanwhile, the Government may kindly cause the Press Communique issued by the Publicity Officer withdrawn or the enclosed rejoinder published in the Government --- Publicity Journal free of charge.

Soliciting an early and favourable reply and thanking you in anticipation,

We have the honour to be,
Sir,
Your most obedient servants,
**For The All-India Mutual Aid & Poor Houses Association Ltd.**

M. K. Nagaraja

*Chief Organizer.*

॥ AUM ॥

No. 433.

(True Copy)

# CERTIFICATE OF INCORPORATION.

I hereby Certify that the All-India Mutual Aid and Poor Houses Association Limited, is this day incorporated under the Mysore Companies Regulation, VIII of 1917, and that the Company is Limited.

Fee Paid Rupees One Hundred and Thirty-nine only.

Give under my hand at Bangalore this Eighth day of July One Thousand Nine Hundred and Twenty-six.

B. RAMASWAMIYA,
Registrar of Joint Stock Companies
in Mysore.

Seal of the Registrar
of Companies,
Mysore.

AUM.

Copy of letter No.870 dated 9th November 1926 from the Registrar of Joint Stock Companies in Mysore, Bangalore, addressed to the Chief Organizer, All-India Mutual Aid and Poor Houses Association Ltd., Mysore.

With reference to his letter dated 6th November 1926, the Chief Organizer of the All-India Mutual Aid and Poor --- Houses Association Ltd., is informed that the question of -- filing the prospectuses under reference is receiving attention and the receipt of intimation, from this Office, of such ----- filing should be awaited.

For The All-India Mutual Aid & Poor Houses Association Ltd.

25 FEB 1927 M. K. Nagarajan

*Chief Organizer.*

Proceedings of the Meeting of the Managing Committee of Directors of the All-India Mutual Aid & Poor Houses Association Ltd., Mysore, held on 8th November 1926 at 3 P.M. in the Registered Office of the Association at Mysore.

---

x x x x

(3) Read the correspondence ending with the Chief Organizer's letter of date addressed to the Registrar of Joint Stock Companies in Mysore, Bangalore, regarding the filing of the prospectus of the Association.

Resolved unanimously that the Secretary of the Association do not wait for the intimation from the Registrar for his having filed the prospectus of the Association, but do issue the amended copies of the prospectus to the public from this day forwards owing to the fact that not only the said amended copies of the prospectus have been finally filed with the Registrar on the 1st of this month alone after being amended strictly in accordance with the Law and also the instructions of the Registrar, but also the Company Law requires every new Association or Company only to file the prospectus on or before the date of its publication but not to wait for any acknowledgment (of the receipt of the said prospectus) or intimation (for the said prospectus having been filed) from the Registrar for issuing the same to the public as provided in Section ~~xxxxx~~ 92 of the Mysore Companies Regulation VIII of 1917.

x x x x

"True copy"

For The All-India Mutual Aid & Poor Houses Association Ltd.

M. L. Nagappa

Chief Organizer.

25 FEB 1927

Copy of letter No.921 dated 3rd December 1926 from the Registrar of Joint Stock Companies in Mysore, Bangalore, addressed to the Chief Organizer, The All-India Mutual Aid & Poor Houses Association Ltd., Mysore.

---

With reference to his letter No.1759 dated 30th November 1926 forwarding with a Court Fee Stamp for Rs.6/- a Return of allotments made on 6th November 1926 and a declaration ---- before commencing business, the Chief Organizer of the All-India Mutual Aid & Poor Houses Association Ltd., is referred to this Office Memo No.870 dated 9th November 1926, and he is informed - that no action can be taken by this Office in the matter of his present application until the question relating to the filing -- of the prospectus is decided by this Office.

For The All-India Mutual Aid & Poor Houses Association Ltd.

25 FEB 1927

M. K. Nagannah

*Chief Organizer.*

AUM.

Copy of letter No.1805 dated 6/8th December 1926 from the Chief Organizer, All-India Mutual Aid & Poor Houses Association Ltd., Mysore, addressed to the Registrar of Joint Stock Companies in Mysore, Bangalore.

---

Your kind letter No.921 D/ 3rd inst.

In reply, we beg to inform you that the directors of the Association believe that in all matters connected with the Registration, Formation and Promotion of Joint Stock Companies in Mysore both the Registrar and the said Companies are to be guided by the Mysore Companies Regulation and the provisions thereof are to be strictly complied with as they are mandatory but not discretionary. So, as mentioned in our previous letter, you could not but file the ~~prospectus~~ copies of our prospectus and also issue the Business Commencement Certificate in compliance with Sections 92 and 103 (2) of the Mysore Companies Regulation No.VIII of 1917 as we have complied with all the provisions mentioned in Sections 93 and 103 (1) of the said Regulation respectively. The Directors are therefore at a loss to understand how the filing of the prospectus could be deferred and the issue of the Business Commencement Certificate delayed on that ground in the absence of any provision in the Mysore Companies Regulation to show that the filing of the prospectus is at the discretion of the Registrar though it is strictly in accordance with Law.

So, the Directors consider that there is nothing more to be complied with by us according to Law and there can be nothing in the way for the issue of the Business Commencement Certificate. But, if you think that there is still something to be complied with according to Law, we will do the same immediately on hearing from you. In case you consider that there is anything which is morally objectionable, we will be the first persons to rectify ourselves at once. If on the other hand it is the desire of yourself or of the Government that our Association should be closed whether there is any legal or moral defect or not, the Directors will be very glad to advise the Shareholders to do so without any delay as no indigenous concern can thrive without the sympathy and moral support of the Local Government. In case you do not give any heed to our reasonable requests and thereby do not issue the Business Commencement Certificate or to give us a satisfactory reply, the Directors will have no other alternative than to place the matter before the Shareholders in their Meeting to be held on the 16th instant to do what they think best in the existing circumstances as the delay in the issue of the Business Commencement Certificate for an indefinite length of time will be detrimental to the interest of the Association owing to the fact that the Association will have to meet the Establishment charges unnecessarily for no business whatsoever. Anyhow, we trust that you will kindly reconsider over the matter and do justice and justice alone.

Begging to be kindly excused for the trouble and thanking you in anticipation,

For The All-India Mutual Aid & Poor Houses Association Ltd.

M. K. Nagannah

25 FEB 1927

Chief Organizer.

# A MUTUAL AID AND POOR HOUSES ASSOCIATION, LIMITED.

Regd. Office: MYSORE, (S. India)

(A Provincial Notice)

With reference to the Press Communique issued by the Publicity Officer to the Government of Mysore concerning the provisions made by the above said Association in its Memorandum and Articles of Association etc., for safeguarding the interests of its constituents, it is most regrettable to observe that the Government are wrong in saying that the Statements (regarding the perpetual investment of its funds in the Government, the appointment of an Official Trustee to hold its Securities in safe custody and the appointment of a Bondholders' Representative and an Auditor by the Government to watch the interests of its constituents) made in the abovesaid documents of the Association are unwarranted, for the reason that the Memorandum and Articles of Association as also the prospectus could not but contain all the necessary provisions which are to be given effect to after the commencement of the business of the Association as per Companies Regulation, nor are they (the Government) justified in deciding the matter and issuing the abovesaid Press Communique detrimental to the interests of the Association, without any application being made by the Association or its objections or explanations being taken, for the reason that not only all the abovesaid provisions are worth welcoming by a Governemnt who consider it to be their duty to safeguard the interests of their people as far as possible but also the Memorandum, Articles and the prospectus of the Association in which the said provisions are contained, have been amended strictly in accordance with Law and the instructions of the Registrar of Joint Stock Companies in Mysore, Bangalore, after his perfect scrutiny,

As disclosed by the said Memorandum and Articles of Association as also by the prospectus, the main object of the Association is to start Poor Houses in all the principal towns throughout, India, Burmah and Ceylon for feeding the disabled and nursing the suffering poor and the scheme devised by the Association for fulfilling its objects has been based on the soundest possible principles without there being absolutely no risk or sreculation whatsoever. Notwithstanding this, it is a pity that, not only the Government could not be proud of such an institution as this in their State and render the same all possible help in consideration of the Association being the first of its kind either in India or elsewhere and bound to relieve the distress of the suffering humanity as a whole, but also they (the Government) could not realise that the provisions referred to above are not in any way to the advantage of the promoters of the Association but are made for ensuring the safety of the public at large and the perpetual running of the Institution. Moreover, the Government would have been justified in issuing their communique if the above-said provisions had been made in the documents above referred to only for giving false impression to the public but not to give them effect to practically.

Further, either in the Memorandum or in the Articles of Association upon which the prospectus of the Association is based, it is not stated that all our funds will be invested only in the Government of Mysore but it is clearly stated therein that the funds of the Association are to be invested in the Government of Mysore or in any Indian or Foreign Government. Moreover, as provided in Article 96 of the Articles of Association, the funds to be collected by the Association in a particular Province will have to be invested in that Provincial Government itself. As provided in Article 93, in case any Provincial Government cannot accept our funds as permanent deposit, the funds will be invested in the Seeurities guaranteed by the said Government in preference and the said Government Securities will be held by an Official Trustee to be appointed by the said Government itself. In the places where the Govt. cannot accept our funds as permanent deposit or appoint an Official Trustee, the funds of that province will be invested in the Securities guaranteed by that Government in preference and the said Securities will be kept with the Bankers of the Association in that Province for safe custody as provided in Article 94 of the Articles of Association.

So, it is needless to impress upon the minds of the public that the Mysore Goverument is not the only Government upon which the Association entirely depends for the investment of its funds or for the appointment of an Official Trustee but there are many other Governments both Indian and Foreign for the said purpose and as such the disinclination of the Mysore Government to accept our funds as permanent deposit or to appoint an Official Trustee, will not prevent the Association from investing its funds in the Securities guaranteed by the Government of Mysore as also by other Governments or having the said Securities held by an Official Trustee appointed by any Indian or Foreign Government. The public should therefore please note that the funds of the Association will be invariably invested in any other Government or Governments or in the Securities guaranted by the said Governments entirely and permanently and the Securities to be held by the Association will be kept with its Bankers for safe custody until an Official Trustee or Trustees are appointed by any other Government or Governments for holding the said Securities in safe custody.

Generally, in all Joint Stock Companies. the Directors and Auditors will be elected only by the Shareholders but in this Association in order to safeguard the interests of the Bondholders a provision has been made for the appointment of a Bondholders' Representative and an Auditor by either the Government of Mysore or that of India. In case the Government of Mysore is not inclined to appoint them, the Association will apply to the Government of India for the said appointments soon after there will be 2,000 Bondholders as per rules. If even the Government of India cannot find its way to make the said appointments, the Bondholders' alone will be authorised to make the said appointments themselves.

In conclusion, the public are requested to specially note that the promoters of the Association are men who believe in the existance of God and also have practically realized that Honesty and Truth will always triumph over sooner or later and consequently the abovesaid provisions have been made with an object of making the Association ever lasting one but not for defrauding anybody. It is therefore hoped that in the light of the above explanation, the Government will be pleased to reconcider the matter and give this indigenous concern their moral support which it richly deserves, in the interest of the suffering humanity at least.

For the All-India Mutual Aid &
Poor Houses Association Ltd.

Mysore M. L. NAGANNAH
14 Feb 1927 Chief Organizer.

K. V. V. PRESS, MYSORE.

A copy of this Prospectus has been filed with the Registrar of Joint-Stock Companies in Mysore, Bangalore.

# ALL-INDIA MUTUAL AID & POOR HOUSES ASSOCIATION. LTD.. MYSORE.

## SHARE & DEBENTURE PROSPECTUS.

**AUTHORIZED CAPITAL** RS. 1,00,000.

Divided into 2,000 shares of Rs. 50 each and issued at a premium of Rs. 2-8-0 per share. The share and premium amounts are payable as follows:—

Rs. 5-0-0 Rs. (2-8-0 premium and Rs. 2-8-0 share amount) ... on Application.
,, 2-8-0 ... ... ... on Allotment.
,, 45-0-0 by 9 quarterly instalments of Rs. 5 each from the date of allotment.

,, 52-8-0 Total.

**EACH SERIES CONTAINS** - - 1,00,000 BONDS.

The amount of each bond is Rs. 50 and Rs. 2-8-0 extra is payable for each bond towards admission and stamp fees. The bond amount and admission etc., fees are payable either in a lumpsum with the application or by instalments as follows :—

Rs. 2-8-0 (Rs. 2/- towards admission fee and As. 8/- towards stamp fee) ... with application.
,, 50-0-0 by 50 monthly instalments of Re 1/- each together with the interest of As. 4/- per bond per month until the payment of bond amount is completed.

,, 52-8-0 Total

**DIRECTORS:**

1. Dr. A. J. Ram, L. M. & S.. M. D. (E.H.), Physician and Surgeon, *Sayyaji Rao Road, Mysore.*
2. Mr. T. S. Narasimhaswamy, Electrician and General Contractor, *Kotwal Ramaiya's Street, Mysore.*
3. ,, P. Subbaraya Sastry, M.A., Principal, Champion Metropolitan College, *Yelwal Road, Mysore*
4. ,, M. L. Nagannah, Founder and Retired Managing Director, Asiatic Govt. Security Life Assurance Co., Ltd., *Old Agrahar, Mysore.*

**BANKERS:**

The Indian Bank Ltd., Madras.

**CHIEF ORGANIZER:**

Mr. M. L. Nagannah.

**SECRETARY:**

Mr. K. R. Nagappa, *Bhakti Vilas, Mysore.*

**AUDITOR:**

Mr. G. V. Iswaraiah, G.D.A.,
*Certified by the Government of Mysore.*

**REGISTERED OFFICE:**

Building No. 368, Bazaar Street,
*Old Agraharam, Krishnaraja Mohalla. Mysore.*

# OBJECTS OF THE ASSOCIATION.

## INTRODUCTION.

It is a matter of common experience that, although everyone makes all possible efforts to secure happiness, only those who have worshipped God in their previous births are blessed with it. As, for instance, though there are many who have obtained Degrees in Law, Medicine or other subjects with equal rank, it is only a few that are happy in acquiring wealth either by holding high appointments or by becoming leading Practitioners, while others find it difficult even to eke out their livelihood. It is thus clear that even though our efforts in this birth are equal and earnest, yet the result in each case is different according to the nature of worship of God in our past births. Nay, it is the experience of many of us that anyone destined to suffer great misery in this birth as the result of sins committed by him in his past ones can have such suffering lessened in proportion to his sincerity in the worship of God now and can finally attain happiness by the grace of God. So, it is beyond doubt that those who worship God and win His Grace attain happiness unmixed with misery both in this world and in the other. The worship of God is of two sorts. One is to regard some image as God and pay it all kinds of divine honours. This form of worship is known as IMAGE WORSHIP or worship of God in His STABLE FORM. The other is to please Him by alleviating the distress of the poor and the helpless by giving them food and medicine. This is said to be the worship of God in His MOVING FORM. As the latter is more pleasing to God than the former, those who follow this form gain the full grace of God much sooner and much more easily than by mere image worship.

Hence, those who have realized that this world (comprising both animate and inanimate objects) is the manifestation of God and devote themselves to the alleviation of the miseries of such poor and helpless persons as are afflicted by hunger or disease, become the real worshippers of God and thereby derive happiness both in this and in the other worlds by the grace of God. Though many know this fact, yet the poor for want of money and the rich on account of their desire to amass wealth do not generally perform this superior form of worship. Even those well-to-do people who are eager to gain the favour of God may carry out this kind of worship only during their life-time but not after, as it is not easy for them to arrange for this form of worship for ever, that is, even after they leave this world. Since the duration of happiness that those people can enjoy in the world to come is in proportion to the nature of their worship in this world, they have to be born again soon after their time of enjoyment there is over. Therefore, those who arrange for this superior form of worship here perpetually will enjoy continued happiness in the other world, and will not have to come back to this world as the fruits of the worship here will be going to benefit them even when they are in the other world. Consequently, their stay in the other world will be extended. So, those that arrange for the worship, however trivial it may be, to continue for ever will attain heaven and, after enjoying all possible happiness there for a long time, finally attain the highest stage. As, for instance, a mango seed, though small in form, grows into a big tree and yields a good number of fruits for a long time, so also the charitable deeds that we do in this world, however trifling they may be, bring about the greatest happiness for a long duration in the next world.

Keeping the abovementioned facts in view, the "All-India Mutual Aid and Poor Houses Association, Limited" has devised a new scheme (as detailed below) and aims, on the one hand, at enabling even the poorest to perform the abovesaid superior form of worship of God both during and after their life-time—nay as long as the world will be in existence—by paying a paltry sum and thereby win the full grace of God and, on the other hand, at alleviating the distress of the suffering humanity by starting charitable institutions (comprising Poor Houses and Hospitals for feeding the disabled and nursing the suffering who are poor and helpless) in every principal town throughout India, Burmah and Ceylon, as mentioned in the Memorandum of Association, a copy of which is hereto attached.

### Explanation of the Scheme.

Anyone who wishes to have the benefit of the abovesaid scheme can get a bond from the Association without any restriction of caste, creed, religion, sex or age on payment of Rs. 50 either in a lump sum or by 50 monthly instalments of Re. 1 each. The crores of Rupees that will be collected from lakhs of bondholders who may join the Association from all parts of India, Burmah and Ceylon will be entirely and permanently invested in the Governments of Mysore and India and half of the interest which will be got on this investment will be utilized for maintaining the Charitable Institutions to be started by the Association as abovementioned in every principal town in the abovesaid countries. If there should be any surplus out of the abovesaid interest after meeting the expenses of the Charitable Institutions of the Association, such amount will be utilized for aiding Educational, Medical, Religious and such other Charitable Institutions started for the good of the public in those places.

If any of the bondholders does not pay his monthly instalment and interest within the month for which the same fall due, his bond will lapse and the amounts paid thereon till then will be forfeited to the Association in case he does not get the bond revived within 3 months from the date of default, on payment of all arrears with a penalty of one anna per rupee per month.

If the name of any partly paid-up bondholder is drawn, the balance amount due on his bond will be deducted out of the loan amount to be paid to him. The principal amount of bond will not be refunded until the bond is drawn but the same will be allowed to be adjusted out of the last instalments payable by the holder of the said bond on account of the loan advanced to him.

The Association has made a provision in its Articles for the issue of separate series of bonds of any denomination to any community so that 50% of the interest accruable on the amount of bonds to be collected from the respective community people may be utilized for maintaining Charitable Institutions to be started for the Moral, Spiritual and Educational uplift of the said community people. For the present, one series of bonds will be issued by the Association exclusively to the Veerashiva community people for aiding the Educational Institutions and Students' Homes to be started by His Holiness Sri Jagadguru Sivananda Rajendra Sivacharya Mahaswami of Rambhapuri. The question of issuing separate series to other communities will be considered on application.

Out of the remaining half of the interest, two-thirds will be utilized in granting loans from Rs. 1,000 to Rs. 5,000 (repayable in one hundred monthly instalments of Rs. 10 each per every Rs. 1,000) to one hundred persons out of one lakh bondholders every year (as determined in the drawings) on their personal security without any interest. The balance one-third *plus* the amount of instalments to be recovered from the bondholders to whom the loans will be granted *plus* admission, etc., fees to be recovered from the new bondholders, *less* all the working expenses of the Association will be the net profit. Out of this net profit a portion will be set apart for payment of dividends to the shareholders and the balance will form the Reserve Fund. The Reserve Fund that will thus accumulate every year in this way will be utilized in constructing buildings for the Head Office, Chief Agencies or Branch Offices and Charitable Institutions of the Association.

## Example.

**Appropriation of interest accrued on bond amounts for maintaining Charitable Institutions and granting loans to bondholders.**

As the number of bonds to be issued by the Association is unlimited, they will be issued in several series, each series consisting of one lakh bonds. Supposing there will be one lakh bondholders in any calendar year qualified for drawing in any particular series, these one lakh bondholders will have paid to the Association Rs. 50,00,000 at Rs. 50 each. As this amount will be entirely invested in the Government, the Association gets three lakhs of rupees interest at least from the Government at 6 per cent per annum on the same. Out of this three lakhs of rupees, half the amount, *i.e.*, one lakh and a half, will be utilized for maintaining Charitable Institutions of the Association. As the names of one hundred persons per every lakh bondholders are to be drawn in the drawings every year, one hundred names will be drawn in the abovesaid calendar year. Out of those whose names are drawn like this, the first-drawn bondholder gets **Rs. 5,000**, the second-drawn bondholder gets **Rs. 2,000** and the remaining 98 drawn bondholders get Rs. 98,000 at **Rs. 1,000** each, amounting in all to Rs. 1,05,000 **as loans without any interest, on their personal security.**

**Net profit of the Association.**

Rs. 45,000 being the surplus amount of interest of three lakhs of rupees after transferring Rs. 2,55,000 (1,50,000 and 1,05,000) for maintaining Charitable Institutions and granting loans as abovesaid, *plus* the amount of instalments (at Rs. 10 per month per thousand) to be recovered from the drawn bondholders in the abovesaid calendar year on account of the loans granted to them every year, *plus* the amount of admission, etc., fees recoverable from the new bondholders that join the Association in the abovesaid year, *less* all the working expenses of the Association in the said year, will be the net profit of the Association for that year.

**Increase of net profit year by year.**

As determined in the drawings, a sum of Rs. 1,05,000 will be granted as loans to one hundred persons out of one lakh bondholders every year. During the year subsequent to that for which the first drawing is held, the Association will have collected Rs. 12,600 on account of the said loans. As another sum of Rs. 1,05,000 will be granted as per second drawing, the amount of instalments to be recovered during the next year will be Rs. 25,200. In the same way, as the drawings are held every year, the amount of instalments to be recovered from the bondholders will increase every year by Rs. 12,600, so much so that the amount of instalments to be recovered from them in the 8th year and onwards would be Rs. 1,00,000 and odd as the total amount of loans granted up to then would be Rs. 8,40,000. As the instalments to be recovered thus will be the income of the Association, the profits of the Association will necessarily increase proportionate to the increase in the collection of the amounts of instalments. When the amount of instalments to be recovered per each series would be Rs. 1,00,000 and odd, the total collection of instalments would be as many lakhs as there will be series. So, the net profit of the Association will accumulate to lakhs of rupees every year as there will be many lakhs of bondholders as the years pass on.

**Dividends to shareholders and accumulation of Reserve Fund.**

Out of lakhs of rupees net profit to be made by the Association every year as abovestated, a portion will be set apart for payment of dividends to the shareholders and the balance will be utilized for payment of profits to the Bondholde and Directorsas also for creating the Reserve Fund of the Associatio

N.B.—Only for the facility of calculation, the number of one lakh bondholders has been given in the abovesaid example and so, as mentioned hereinafter it is not necessary that one lakh bondholders should be secured either for holding the drawings or for starting Charitable Institutions. For, as soon as there will be 1,000 bondholders, the drawings will begin to be held and as soon as there will be 2,000 bondholders, the Charitable Institutions will begin to be started by the Association.

## Other Special Features.

**Qualification of bondholders for drawings.**

Those bondholders who will have completed the payment of their full bond amounts before the beginning of a calendar year, and also those that will not have fully paid up their bond amounts but will have paid all their monthly instalments without anything in arrears during that calendar year together with interest at As. 4 per bond per month will be qualified to have their names included in the drawing of the said calendar year.

**Holding of separate drawings in different places.**

If the number of bondholders qualified for the drawing will be not less than 1,000 in any province, district, taluk or principal town, a separate drawing will be allowed to be held in that province, district, taluk or principal town as the case may be and the number of loans to be granted will be proportionate to the number of bondholders in the said localities.

**Starting of Charitable Institutions at Mysore and other places.**

As soon as there will be 2,000 fully paid-up bondholders in the Association, a Charitable Institution (comprising a Poor House and a Hospital) will be started at Mysore and similar institutions will be started in every province, district, taluk and principal town as soon as there will be 2,000 fully paid-up bondholders.

IN PLACES WHERE IT WILL BE FOUND CONVENIENT TO FEED THE DISABLED AND OLD CAT AND OTHER DOMESTIC ANIMALS, A CATTLE SHED OR PINJARAPOLE WILL BE ATTACHED TO POOR HOUSES TO BE STARTED IN THE SAID PLACES.

**Non-inclusion of drawn bonds in the subsequent drawings and derivation of benefits of each bond separately.**

As the names of the bondholders drawn in a drawing will not be included in the subsequent ones, all the bondholders or their heirs are sure to get loans one year or another according to their turn. Any person may take up any number of bonds and those that take up more bonds than one will be entitled to the benefits of each bond separately. That is, if a person takes up ten bonds in his name and if he gets a loan in respect of one of the bonds having been drawn in any year, only the said bond which is drawn will not be included in the subsequent drawings but the same bondholder will be getting loans again and again in respect of each of the remaining nine bonds in each of the years in which they will be drawn. Nay, if by chance all his ten bonds are drawn in any one year, he will get loans simultaneously in respect of all the bonds.

**The Association not incurring loss even if any loans are found to be irrecoverable.**

In case any of the persons that are granted loans happen to be poor and the loan amount is found irrecoverable from them in spite of the Association taking necessary legal steps, it will be no loss to the Association as the loan amounts will not be paid out of the principal amount but will be paid only out of a portion of interest to be got by the Association. Moreover, as the bondholders comprise of both the rich and the poor, the chances go to them both. If the chances go to the rich, there will be certainty of the return of the loan amounts and, if the chances go to the poor and any of the loans granted to them is found to be irrecoverable, the Association would be benefiting the poor.

## Important Privileges and Benefits to the Bondholders of the Association.

**Bond amount smallest and the payment easiest.**

The amount of Rs. 50 payable for each bond by the bondholders is so small and the payment is so easy that it will not be felt by either the poor or the rich as it may be paid by **50 monthly instalments** of Re. 1 each.

**Absolute security.**

As provided in the Memorandum and Articles of Association, the principal bond amount to be collected from the bondholders will be **entirely and permanently invested in the Government or in the Government securities** and the said securities will be held for safe custody by an **Official Trustee appointed by either the Government of Mysore or that of India.**

Regarding the appointment of a Bond-holders' Representative and an Auditor by the Govern-ıt, please *vide* 49 and 71 Articles of Association annexed hereto.

**Perpetuity of the Charitable Institutions and the bondholders partaking the benefit of the charities done by the Association.**

As half of the interest that accrues on the principal bond amounts of the bondholders will be exclusively utilized in relieving the distrees of the poor and helpless and there is no better form of worship of God than this, **all the bondholders of the Association being the authors of this worship will win the full grace of God and enjoy eternal happiness in the other world as they will have arranged for this superior form of worship of God for ever and ever.** Since the Governments will last as long as the world will be in existence, the funds of the Association will be safe and will be securing interest regularly. Thus, the Association is bound to run the Charitable Institutions without any obstruction whatever **as long as the world exists.**

**Bondholders getting loans on personal security without interest.**

As explained hereinbefore, **the bondholders or their heirs are sure to get loans one year or another on their personal security alone without any interest from Rs. 1,000 to Rs. 5,000.** As the amount of instalments they pay every month on the loan amounts that they receive will be equal to 12 per cent interest per annum on the said loan amounts, **the bondholders will have the loan amounts for themselves after 100 months as they will have paid mere interest for that period at the abovesaid rate.**

**Bondholders not required to repay the loan amounts in case they utilize it for constructing buildings for Charitable Institutions.**

If any of the drawn bondholders do not want loans but are willing to utilize the said loan amounts for constructing the buildings of the Charitable Institutions of the Association, not only will they not be required to repay anything to the Association on account of the said loan amounts, but they will also be entitled to the benefit of the charity done with the said loan amounts.

The non-drawn bondholders will be entitled to 50% of the profits of the Association and the said profit will be distributed in every five years.

## Special Privileges and Benefits to the Shareholders of the Association.

**Object of the Capital of the Association.**

As the main object of the Association is to start Charitable Institutions and the said Institutions will be maintained only with the interest on the bondholders' amount without any necessity for the utilization of any other amount, this Association has been started with an authorized Capital of one lakh divided into 2,000 shares of Rs. 50 each in order to satisfy the requirements of the Law.

**Directors' previous permission necessary for applications for more than 10 shares.**

As it is the object of the Directors to make the extraordinary benefits of the shares of the Association available for as many persons as possible, **no applications will be received for more than 10 shares from an individual person.** In case there will be any who wish to apply for more than 10 shares, they should obtain previous permission from the Directors before making any application.

# ARTICLES OF ASSOCIATION

RELATING TO THE

## Appointment of a Bond-holders' representative & an auditor by the Govt

49. As soon as there will be 2,000 fully paid-up bondholders, the Directors shall apply either to the Government of Mysore or that of India for the appointment of a Bondholders' Representative on the Board of Directors to watch the interests of the bondholders. The said appointment may be made by the Government once in every year or otherwise as they shall think fit. The Bondholders' Representative shall be entitled to the same privileges and remuneration as any other Director of the Association.

71. As soon as the Association secures 2,000 fully paid-up bondholders, the Directors shall apply to the Government of Mysore for the appointment of an auditor on behalf of the bondholders for auditing the accounts of the Association in addition to their being audited by the Auditor appointed by the Shareholders. If the Government appoints such an auditor, such remuneration as the Government direct, shall be paid to him by the Association.

**Easy payment of the share amount.**

As the shares of the Association are sold at a premium of Rs. 2-8-0 per share, the intending shareholders shall pay Rs. 2-8-0 being the said premium amount as also Rs. 2-8-0 towards part payment of the share amount, *i.e.*, **Rs. 5 per share with the application.** After the shares are allotted, the shareholders shall pay immediately Rs. 2-8-0 per share and **the balance Rs. 45 per share by nine quarterly instalments of Rs. 5 each** from the date of allotment.

**Investment of shareholders' money and allotment of bonds to shareholders.**

As the paid-up capital of the Association is not required for any other purpose as mentioned above, the whole paid-up capital will be utilized in purchasing bonds of the Association itself and the bonds thus purchased will be allotted to the shareholders at one bond per every share held by them on payment of Rs. 2-8-0 per bond towards admission fee and cost of bond and so **the whole paid-up capital will become bond amount and the same will, therefore, be entirely and permanently invested safely in the Government** just like the amounts of bondholders.

**Shareholders entitled to the profits of the Association as well as to the benefits of the bonds.**

As the shareholders get bonds, they will be entitled to all the privileges and benefits the bondholders are entitled to as mentioned hereinbefore. In addition to this, the shareholders will not only be entitled to the dividends to be declared out of the profits which the Association earns every year but they may also, in course of a few years, expect **cent per cent dividends on their share amounts** as the Association is sure to make **lakhs of rupees profit** as explained hereinbefore as against a paid-up capital of only one lakh of rupees.

**Necessity for immediate application for shares.**

**Until 2,000 shares of the Association are disposed of, the applicants can become the holders of both a share and a bond for each Rs. 50 they pay and thereby they will be entitled to double benefits.** After 2,000 shares are disposed of, applications for bonds alone will be received and, therefore, the applicants will be entitled only to the benefits of a bond for every Rs. 50 they pay. So, it is necessary that those who wish to avail themselves of the abovesaid **extraordinary double benefits should send their applications** for the required number of shares **immediately** in the appended form together with a remittance of Rs. 5 per share **to avoid disappointment.**

## Directors' Qualification and their Remuneration.

Each Director of the Association shall hold 20 shares of the Association in his individual name. In case any of the Directors, not being residents of Mysore, attends the meetings of the Board or the Committee, he will be entitled to actual travelling expenses. Until the business of the Association is commenced, no Director will be entitled to any sitting fee for any meeting of the Board or the Committee attended by him. After the business is commenced and until the capital of the Association is fully subscribed, a sitting fee of Rs. 6-4-0 and Rs. 12-8-0 will be paid to each Director for every meeting of the Committee or Board attended by him respectively. After the capital of the Association

॥ ॐ ॥

## FORM OF APPLICATION FOR SHARES.

*No*..... *Influenced by*.....

| | |
|---|---|
| *Allotment No.* | |
| *Date of Allotment.* | |
| *No. of Shares Allotted.* | |
| *Share Nos.* | *to* |

To

**The Directors,**

**All-India Mutual Aid & Poor Houses Association, Ltd.,**

**MYSORE.**

*Gentlemen,*

Having paid the sum of Rs.....being the deposit of Rs. 5 (Rs. 2—8—0 towards premium and Rs. 2—8—0 towards share amount) per share on.....shares of Rs. 50 each in the above Association, I request that you will allot to me that number of shares. I hereby agree to accept the same or any less number that you may allot to me, upon the terms of the Prospectus dated 10th August 1926 and the Memorandum and Articles of Association, and I authorize you to place my name on the Register of Members in respect of the shares allotted to me. Further, I also agree to pay Rs. 2—8—0 per share on allotment and Rs. 45—0—0 per share by 9 quarterly instalments of Rs. 5 each from the date of allotment.

*Station*.....

*The*..... *192* .

**Usual Signature.**

.....

**Please write distinctly.**

*Name in full*.....

*Age*.....

*Profession or Business*.....

*Address (in full)*.....

*Post Office*.....

is fully subscribed, a sitting fee of Rs. 12-8-0 and Rs. 25 will be paid to each Director for every meeting of the Committee or Board attended by him respectively. Apart from this, all the Directors along with the Bondholders' Representative will be entitled to 10 per cent of the net profit of the Association every year and the said amount will be distributed among all of them equally. Except this, the Directors have no other interest in the Association nor is any promotion or other fee payable either to the Directors or anybody else.

## Minimum Subscription.

The minimum number of shares for which the Association should receive applications before the first allotment is made and the business of the Association is commenced, is 200 shares to the nominal value of Rs. 10,000.

## Commission on Shares.

A commission not exceeding 5 per cent on the nominal value of shares actually allotted will be paid by the Association. As the shares are sold at a premium of Rs. 2-8-0 per share, the commission payable to the agents will be met out of the said premium amounts alone and so, nothing will be paid out of the paid-up share amounts towards commission.

## Preliminary Expenses.

The preliminary expenses to be incurred by the Association are estimated to be Rs. 2,500. But as the Association gets Rs. 2-8-0 per share from the shareholders on account of bonds to be allotted to them, towards admission fee and cost of bond, as mentioned hereinbefore and the said collection will amount to Rs. 5,000 (2,000 shares at Rs. 2-8-0 each) the preliminary expenses will be written off eventually out of the said amount.

## Agreement.

on 9 AUG 1926

An Agreement is entered into between the Association of the one part and Mr. M. L. Nagannah of the other part by which the said Mr. M. L. Nagannah will be the Chief Organizer of the Association for 25 years and thereafter on the terms and conditions mentioned in the draft Agreement annexed to the Articles of Association. The said draft Agreement as also the Articles of Association can be inspected by anybody at the Registered Office of the Association during office hours or a copy thereof can be obtained on payment of As. 8 only.

For further particulars, prospectuses and application forms, communications may be addressed to the Secretary of the Association at the Registered Office.

A. J. RAM, P. SUBBARAYA SHASTRY,
M. L. NAGANNAH, T. S. NARASIMHASWAMY,

*Dated* 12 JAN 1927

2148-26 The Bangalore Press.

OM

# MEMORANDUM OF ASSOCIATION

OF

# All-India Mutual Aid & Poor Houses Association Ltd.

---

1 The name of the Association is the "All-India Mutual Aid and Poor Houses Association Limited".

2. The Registered Office of the Association will be situated in the State of Mysore.

3. The objects for which the Association is established are:—

(a) To establish Charitable Institutions in every principal town in India and also in any other part of the world for feeding the disabled and nourishing the suffering poor without any restriction of caste, creed or sex, and also for aiding Educational, Medical, Religious and other Institutions started for the good of the society.

(b) To carry on in India and in any other part of the world the business of raising funds by issuing at par or at a premium, bonds, debentures and debenture stock, perpetual or otherwise, with or without special privileges and also with or without a specific charge on all or any part of the property of the Association.

(c) To invest, perpetually or otherwise, the principal amount of bonds, debentures, and debenture stock, in the Government, Indian or Foreign, or in securities guaranteed by the said Government.

(d) To deposit, perpetually or otherwise, the Government securities held by the Association for safe custody with an Official Trustee or Trustees if any appointed by the Government or Governments, Indian or Foreign.

(e) To maintain and aid the abovesaid Charitable and other institutions with a portion of interest accrued on the funds invested as above in the Government or in the Government Securities.

(f) To grant loans, with or without interest or security to the holders of bonds, debentures or debenture stock, as determined by periodical drawings out of a portion of interest accrued on the abovesaid funds, and allow the repayment of the said loans by easy instalments.

(g) To utilize a portion of interest accrued on the abovesaid funds together with the amount of instalments repayable to the Association on account of loans granted to the bond and debenture holders and also admission, stamp and other fees payable by the holders of bonds, debenture and debenture stock, for meeting the working expenses of the Association, making provision for Reserve Fund and paying dividends to the Shareholders.

(h) To invest the paid-up capital and Reserve Fund in such securities as are determined from time to time by the Association in its General Meeting.

(i) To purchase, take or lease in exchange, or hire or otherwise acquire any estate, interest in any lands or buildings, leasements, rights, privileges, concessions and immoveable property of any tenure or kind

necessary or convenient for the business of the Association in any part of the world.

To erect, construct, lay down, enlarge, alter and maintain buildings, works and Machinery, necessary or convenient for the business of the Association in any part of the world.

(k) To purchase or otherwise acquire the business and property of any person, firm or company carrying on any business which the Association is authorized to carry on and take over the property and liability of such person, firm or company on such terms as the Association may think fit

(l) To enter into partnership and into an arrangement for sharing profits, union of interest, co-operation and joint adventure, reciprocal concession or otherwise, with any person, firm or company carrying on or about to engage in, any business or transaction calculated to benefit this Association and to guarantee the contracts of or otherwise assist such person, firm or company.

(m) To establish Provincial and Local Boards, Branches and Agencies in any part of the world and to discontinue the same.

(n) To enter into and carry into effect an agreement with regard to management which has already been prepared and is expressed to be made between Mr M L Nagannah of the one part and the Association of the other part, and copy whereof is annexed hereto.

(o) To enter into agreements with the officers, agents and other employees of the Association on the terms and conditions as are determined by the Directors from time to time.

(p) To receive donations from the public at large and utilise for Charitable purposes.

(q) To act as Trustees for any Charitable Institution or Fund and do everything incidental and conducive to the promotion of the objects of the donors concerning the said Charitable Institution or Fund as the case may be.

(r) To do all such other things as are incidental or conducive to the attainment of all or any of the above objects.

The liability of the Shareholders is limited.

The capital of the Association is Rs 1,00,000 divided into 2000 shares of Rs. 50 each, with power to increase.

| No. | Names, Descriptions and addresses of ~~Shareholders~~ Subscribers. | No. of shares taken. |
|---|---|---|
| 1. | M. S. Basavalingayya, B.A., B.L., Legal Practitioner, Old Agrahar, Mysore. | 20 |
| 2. | T. S. Narasimhaswamy, General Contractor and Electrician, 612, Kotwal Ramiah's Street, Mysore. | 20 |
| 3. | P. Subbaraya Sastry, M.A. etc., Principal, Champion Metropolitan College, Ilwal Road, Mysore. | 20 |
| 4. | Sirasi Gurushantha Sastry, Palace Asthan Vidwan, Old Agrahar, Mysore. | 20 |
| 5. | A. J. Ram, L.M. & S., M.D. (R.H.) Physician & Surgeon, Sayyaji Rao Road, Mysore. | 20 |
| 6. | K. Nagappa, Managing Proprietor of Messrs K. Nanjundappa & Sons, Old Thurgpet, Bangalore City. | 20 |
| 7. | M. L Nagannah, Founder & Retd. Managing Director, Asiatic Government Security Life Assurance Co Ltd., Old Agrahar, Mysore. | 20 |

MYSORE PRESS, MYSORE.

M.L.Nagannah P.Subbaraya Sastry

S.Narasimhaswamy A.J. Ram K. Nagappa

OM

# MEMORANDUM OF ASSOCIATION

OF

## All-India Mutual Aid & Poor Houses Association Ltd.

WITH

# ARTICLES OF ASSOCIATIO

OM

# INDEX


| | PAGE. |
|---|---|
| MEMORANDUM OF ASSOCIATION .... .... | .... i to iii |
| ARTICLES OF ASSOCIATION .... .... | .... 1 to 20 |
| I. Constitution of the Association .... | .... 1 |


## ERRATA.

| Page | Line | *For* | *Read* |
|---|---|---|---|
| i | 25 | appointed | if any appointed |
| 15 | from below 4 | also may enjoy | may enjoy also |

*Note:*— In pages i, 1, 18 and 19, *for* 'All-India Co-operative and Charitable Association Ltd' *read* 'All-India Mutual Aid and Poor Houses Association Ltd'.


XVI. Secrecy Clause ... ... 16

Schedule

OM

# MEMORANDUM OF ASSOCIATION

OF

# India Mutual Aid & Poor Houses Association Ltd.

1. The name of the Association is the " All-India Co-operative and Charitable Association Limited. "
2. The Registered Office of the Association will be situated in the State of Mysore.
3. The objects for which the Association is established are:—
   (a) To establish Charitable Institutions in every principal town in India and also in any other part of the world for feeding the disabled and nourishing the suffering poor without any restriction of caste, creed or sex, and also for aiding Educational, Medical, Religious and other Institutions started for the good of the society.
   (b) To carry on in India and in any other part of the world the business of raising funds by issuing at par or at a premium, bonds, debentures and debenture stock, perpetual or otherwise, with or without special privileges and also with or without a specific charge on all or any part of the property of the Association.
   (c) To invest, perpetually or otherwise, the principal amount of bonds debentures and debenture stock, in the Government, Indian or Foreign or in securities guaranteed by the said Government.
   (d) To deposit, perpetually or otherwise, the Government securities held by the Association for safe custody with an Official Trustee or Trustees appointed by the Government or Governments, Indian or Foreign.
   (e) To maintain and aid the abovesaid Charitable and other institutions with a portion of interest accrued on the funds invested as above in the Government or in the Government Securities.
   ') To grant loans, with or without interest or security to the holders of bonds, debentures or debenture stock, as determined by periodical drawings out of a portion of interest accrued on the abovesaid funds and allow the repayment of the said loans by easy instalments.
   ; To utilize a portion of interest accrued on the abovesaid funds together with the amount of instalments repayable to the Association on account of loans granted to the bond and debenture holders and also admission, stamp and other fees payable by the holders of bonds, debenture and debenture stock, for meeting the working expenses of the Association, making provision for Reserve Fund and paying dividends to the Shareholders.
   ı) To invest the paid-up capital and Reserve Fund in such securities as are determined from time to time by the Association in its General Meeting.

(i) To purchase, take or lease in exchange, or hire or otherwise acquire any estate, interest in any lands or buildings, leasements, rights, privileges, concessions and immoveable property of any tenure or kind necessary or convenient for the business of the Association in any part of the world.

(j) To erect, construct, lay down, enlarge, alter and maintain buildings, works and machinery, necessary or convenient for the business of the Association in any part of the world.

(k) To purchase or otherwise acquire the business and property of any person, firm or company carrying on any business which the Association is authorized to carry on and take over the property and liability of such person, firm or company on such terms as the Association may think fit.

(l) To enter into partnership and into an arrangement for sharing profits, union of interest, co-operation and joint adventure, reciprocal concession or otherwise, with any person, firm or company carrying on or about to engage in, any business or transaction calculated to benefit this Association and to guarantee the contracts of or otherwise assist such person, firm or company.

(m) To establish Provincial and Local Boards, Branches and Agencies in any part of the world and to discontinue the same.

(n) To enter into and carry into effect an agreement with regard to management which has already been prepared and is expressed to be made between Mr. M. L. Nagannah of the one part and the Association of the other part, and copy whereof is annexed hereto.

(o) To enter into agreements with the officers, agents and other employees of the Association on the terms and conditions as are determined by the Directors from time to time.

(p) To receive donations from the public at large and utilise for Charitable purposes.

(q) To act as Trustees for any Charitable Institution or Fund and do everything incidental and conducive to the promotion of the objects of the donors concerning the said Charitable Institution or Fund as the case may be.

(r) To do all such other things as are incidental or conducive to the attainment of all or any of the above objects.

The liability of the Shareholders is limited.

The capital of the Association is Rs. 1,00,000 divided into 2000 shares of Rs. 50 each, with power to increase.

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into an Association in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Association set opposite to our names.

| Serial No. | Names and descriptions of Subscribers. | Addresses of the Subscribers. | No. of shares taken | Nominal value of shares. | Names and addresses of witnesses. |
|---|---|---|---|---|---|
| 1 | M. S. Basavalingayya, B.A., B.L., Legal Practitioner | Old Agrahar, Mysore. | 20 | 1000 | K. R. Nagappa, 1, Bhaktivilas, Mysore. |
| 2 | T. S. Narasimhaswamy, General Contractor & Electrician. | 612, Kotwal Ramiah's Street, Mysore. | 20 | 1000 | H. S. Venkataramiah, 1, Bahktivilas, Mysore. |
| 3 | P. Subbaraya Sastry, M.A. etc., Principal, Champion Metropolitan College, Ilwal Road, Mysore. | 1938, Kotwal Ramiah's Street, Sivarampet, Mysore. | 20 | 1000 | K. R. Nagappa, 1, Bahktivilas, Mysore. |
| 4 | Sirasi Gurushanta Shastry, Palace Asthan Vidwan. | Old Agrahar, Mysore. | 20 | 1000 | |
| 5 | A J Ram, L.M. & S., M.D. (E. H.) Physician and Surgeon. | Sayyaji Rao Road, Mysore. | 20 | 1000 | K. N. Mudaliar, Druggist, Sayyaji Rao Road, Mysore |
| 6 | K. Nagappa, Managing Proprietor of Messrs. K. Nanjundappa & Sons. | Old Thurgpet, Bangalore City. | 20 | 1000 | H. Rudrappa, Merchant, Moddagiri. Tumkur Dist. |
| 7 | M. L. Nagannah, Founder & Retd. Managing Director, Asiatic Goyernment Security Life Assurance Co. Ltd. | Old Agrahar, Mysore. | 20 | 1000 | K. R. Nagappa, 1, Bhaktivilas, Mysore. |
| | | TOTAL | 140 | 7000 | |

**Dated this 20th day of May 1926.**

AUM.

# All-India Mutual Aid & Poor Houses Association Limited.

## REGISTERED OFFICE: MYSORE (S. INDIA).

—:o:—

## NOTICE.

The under-noted Articles have been incorporated after sanction by the Shareholders of the Association in their Extra-ordinary General and Confirmatory Meetings held on 16th December 1926 and 7th January 1927 respectively. Out of the following Articles, Articles 17 (c), 58 (a), 66 (a) and 89 (a) have been freshly added to the existing Articles of Association whereas the other two Articles have been substituted for the existing Articles of the same numbers given to them.

*Dated 8—1—1927,*
*Mysore.*

K. R. Nagappa,
*Secretary.*

17. *(c)* 50% of the net profits of the Association shall be distributed among all the existing non-drawn Bondholders once in every five years proportionate to the period their bonds will have been in force during the said five years.

58. *(a)* The first members of the Managing Committee of Directors shall not be subject to any rotation just as other Directors but their Office as Directors shall be permanent unless they are disqualified to be Directors.

66 *(a)* The Directors may, if they deem it necessary, organize a Provincial Board in any Province and get the funds collected in that Province invested in the respective Provincial Government even before 2000 Bondholders are secured in the said Province. The Directors may, if they deem it necessary, organize a separate Provincial Board for a particular community and the funds relating to that community shall be invested in any Government the said Provincial Board recommends.

85. The surplus amount of interest on the Bondholders' Fund (after transferring the prescribed amount to the Drawing and Charity Funds as herein—before mentioned) every year plus the admission fees, cost of Bond and penalty payable by the Bondholders plus the amount of instalments to be recovered from the (drawn Bondholders) loan recipients less all the working expenses of the Association shall be the net profit of the Association. The surplus amount of this net profit after allocating the profits to the Bondholders and Directors as per Articles 17 (c) and 52 and dividends to the Shareholders shall form the Reserve Fund of the Association.

89. *(a)* In places where the Provincial Boards are organized, the accounts with the Banks in their respective Provinces shall be operated upon by means of cheques signed by the Chairman of the Provincial Board and countersigned by the Chief Organizer and the Chairman of the Board or the Managing Committee of Directors.

93. The Personal Investment Fund (that is, the principal amount of bonds to be collected from the Bondholders) shall be invested entirely in the Government of Mysore or in any Indian or Foreign Government as permanent deposit at a fixed rate of interest. Until the Government or Governments begin to accept the deposits, the Personal Investment Fund shall be invested entirely in the Securities guaranteed by any of the said Governments.

OM

# ARTICLES OF ASSOCIATION

## All-India Mutual Aid & POOr Houses Association Ltd.

### I. CONSTITUTION OF THE ASSOCIATION.

It is agreed as follows:—

Association to be governed by these Articles and also Table 'A'.

1. The Association is established with Limited Liability in accordance with, and subject to, the provisions of the Mysore Companies 'Regulation No. VIII of 1917. The Regulations for the management of the Association shall be such as are contained in the following Articles and also in the Table ' A ' of the First Schedule to the said Mysore Companies Regulation so far as they are not modified by the following Articles.

### II. PRELIMINARY.

Interpretation clause.

2. The marginal notes hereto shall not affect the construction hereof and in these presents unless repugnant to the context or subject, expressions defined below and also in the Mysore Companies Regulation No. VIII of 1917 shall have the meanings so defined; words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine also, and words importing persons shall include bodies corporate.

'The Association' or 'This Association'

" The Association " or " This Association " means ' All-India Co-operative and Charitable Association Ltd. " established under the Memorandum of Association to which these Articles are annexed.

These Presents or Regulations.

' These Presents ' or ' Regulations ' means and includes the Memorandum and these Articles of Association, and any modification or alteration thereof for the time being in force.

Shareholders Members.

' Share-holders ' or ' Members ' means the duly registered holders from time to time of the Shares of the Association.

Directors.

' Directors ' means the Directors for the time being of the Association or the Directors assembled at a Board as the case may be.

Board.

' Board ' means a meeting of the Directors duly called and constituted.

Year.

' Year ' means calendar year.

Acts.

' Acts ' means the Mysore Companies Regulation No. VIII of 1917 and any statutory modification or alteration thereof for the time being in force.

### III. CAPITAL.

Amount of capital and minimum subscription.

3 The Capital of the Association, for the time being, shall be Rs. 1, 00, 000 divided into 2000 shares of Rs. 50 each and the minimum number of shares to be subscribed before the first allotment of shares and the commencement of the business of the Association shall be 200 shares of the nominal value of Rs. 10, 000.

Allotment of Shares.

4. The shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons, on such terms and conditions, and either at a premium or at par, and at such times, as the Directors think fit, and with full power to give to any person the call of any shares either at par or at premium, during such time, and for such concession as the Directors think fit.

Payment of Share Calls and sale of shares at a premium.

5. The Directors, unless they otherwise determine, shall, for the time being, call Rs. 50 fully per share and recover the same by instalments, that is; Rs. 2—8—0 with the application, Rs. 2—8—0 on allotment and the balance . 45 by nine quarterly instalments of Rs. 5 each from the date of allotment; and the shares of the Association shall, unless otherwise determined by the Directors, be sold at a premium of Rs. 2-8-0 per share and the said premium shall be recovered with the application alone.

Commission for placing shares.

6. The Association may at any time pay a commission to any person for subscribing or agreeing to subscribe ( whether absolutely or conditionally ) for any shares in the Association, or for procuring or agreeing to procure subscriptions ( whether absolutely or conditionally ) for any shares in the Association, so that if the commission shall be paid or payable out of capital, the statutory requirements and conditions shall be observed and complied with and the commission thus payable shall not exceed 5 % on the nominal value of shares in each case subscribed or to be subscribed.

Forfeiture and revival of shares.

7. The Directors or any person authorized by them may forfeit any defaulting share or shares after giving thirty days' notice for the payment of allotment money or instalments due, and they or the said person may at any time before the said forfeited shares shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they or he thinks fit.

Issue of bonds to the shareholders and their participation in the Annual Drawings.

8. Every shareholder shall be entitled to a Personal Investment Bond of Rs. 50 per each share he holds, on payment of Rs. 2-8-0 per bond towards admission fee and cost of bond, but he shall be eligible to participate in the Annual Drawings only after he completes the payment of his full share amount. If any Shareholder wishes to participate in the said Drawings before that, he shall be required to pay the Personal Investment Department As. 4 per bond per month towards interest from the beginning of the calendar year in which he gets the bond until the end of the month in which he completes the payment of his full share amount. But no shareholder shall be entitled to the refund of the amount of bond or bonds issued in his favour and he shall never cease to be a bondholder as well as a shareholder.

Copies of the Memorandum and Articles of Association.

9. Copies of the Memorandum and Articles of Association shall be furnished by the Directors to every shareholder at his request on payment of their price not exceeding Re. 1 per each copy.

## IV. BUSINESS.

Place of business.

10. The Head Office of the Association shall be in the City of Mysore and the business of the Association shall be carried on there and at such other place or places within and beyond the limits of India, Burmah and Ceylon as the Board may deem advisable.

Nature and conduct of business.

11. Although the main business of the Association for the time being shall be to raise funds by issuing bonds under the Personal Investment Scheme of the Association, and to maintain Charitable Institutions out of a portion of interest accruable on the said Personal Investment Funds as mentioned hereinafter, yet the business of the Association shall include everything within the scope of the Memorandum of Association. Such business shall be carried on by or under the management and direction of the Board; and any act or thing, and any branch or kind of business which by the Memorandum of Association is either expressly or by implication authorized to be done, suffered or undertaken by the Association, may be undertaken by the Directors at such time or times and in such manner as they shall think fit.

12 Any number of series of one lakh bonds shall be issued by the Association in favour of those who are desirous of depositing Rs. 50 each with he Association free of interest, and the qualified holders of the said bonds hall be entitled to receive loans ranging from Rs. 1000 to Rs. 5000 without nterest on their personal security, repayable in 100 monthly instalments of Rs. 10 per thousand, as determined by the drawings of every calendar year o be held on 31st January of the subsequent calender year, as explained below.

Issue of bonds.

Grant of loans by drawings.

**Example:**—If there will be 1,00,000 qualified bond-holders (in any series issued by the Association) on 1st January of a calendar year, the Association will have collected not less than Rs. 3,00,000 towards interest during he said calendar year either from the bond-holders themselves or by investng the fully paid-up bond amounts in the Government or in the Government Securities at a minimum rate of 6 per cent interest per annum. Out of the names of the said one lakh bond-holders, only one hundred names will be drawn in the drawings of the said year to be held on 31st January of the subsequent calendar year and the first and second drawn bond-holders will get loans of Rs. 5000 and Rs. 2000 respectively, while the remaining 98 drawn bond-holders will get loans of Rs. 1000 each, amounting in all to Rs. 1,05,000 and leaving a surplus of Rs. (3,00,000 less 1,05,000) 1,95,000 for being utilized for charitable and other purposes as mentioned hereinafter.

Example for holding drawings and distributing loans among the drawn bond-holders.

13. If the number of qualified bond-holders be less than one lakh on the first day of a calendar year, so many names as many thousands of qualified bond-holders as there will be on the said day shall be drawn in the drawing of that year and all the drawn bond-holders including the first and the second also shall get a loan of Rs 1000 each. If there be any part of one thousand, the last drawn bond-holder shall get a loan of so many hundreds of rupees as many complete hundreds of bond-holders as there will be in that part of one thousand as explained below.

Drawing when the number of bond-holders is less than one lakh.

**Example:**—If there will be 78,422 qualified bond-holders on the first day of a calendar year, only 79 names will be drawn as there will be one incomplete and 78 complete thousands. So, 78 drawn bond-holders will get a loan of Rs. 1000 each while the last (i.e. 79th) drawn bond-holder will get only Rs. 400 as there will be only four complete hundreds in that one incomplete thousand.

Example for the above.

14. Any person of sound mind, aged 18 or above, can take up any number of bonds in any series without any restriction of caste, creed or sex. Every bondholder shall pay Rs. 2-8-0 per bond with his application towards admission fee and cost of bond.

Eligibility for taking up bonds and payment of admission fee and cost of bonds.

15. In case a bondholder cannot pay the bond amount of Rs. 50 in lumpsum with his application, he shall be allowed to pay the same by instalments of not less than Re. 1 each, per month ; but such bondholders shall pay an interest of As. 4 per month per bond until they complete the payment of Rs. 50. Both the abovesaid instalments and interest shall be paid on the first of each calendar month and the said instalment and interest shall commence to be paid from the month following that in which the allotment of bond will be made.

Payment of bond amount by instalments

16. If the monthly instalment and interest are not paid within the month in which they fall due, the bond shall lapse to the Association and the name of the bondholder shall be struck off, and the amounts paid thereon till then forfeited to the Association in case the same is not got revived by the bondholder within three months from the date of default, on payment of all arrears with a penalty of one anna per Rupee per month.

Forfeiture, Revival and penalty.

Eligibility of bond-holders to participate in the drawings.

17. (a) The bondholders who will have paid-up their bond amountsfully before 1st January and also those who have not completed the payment of their bond amounts before the said 1st January, but will have paid all the due monthly instalments and interest till the end of a calendar year without anything in arrears, shall be qualified to participate in the drawings of the said calendar year.

(b) Those persons that take up bonds subsequent to January in a calendar year and who pay interest at As. 4 per bond per month from 1st January upto the end of the month in which the bonds will be allotted to them shall also be qualified to participate in the drawings provided the monthly instalments and further interest on their bonds payable during the said calendar year will not be in arrears.

Deduction of balance bond amount out of the loan advanced.

18. If the name of any partly paid-up bond-holder is drawn, the balance amount due on his bond shall be deducted out of the loan amount to be paid to him.

Refund of bond amount to the bond-holders.

19. No bond-holder in any series shall be entitled to the refund of his bond amount until his bond is drawn, but he shall be allowed to adjust his bond amount out of the last instalments payable by him on account of the loan advanced to him.

Non-inclusion of the drawn bonds in subsequent drawings and when bond-holders cease to be such.

20. The bonds once drawn shall not be included in the subsequent drawings and the drawn bond-holders shall cease to be the holders of their bonds after they liquidate the loan amounts advanced to them.

Rights of the heirs of the deceased and other bond-holders.

21. The legal heirs of the deceased bond-holders or of those who become lunatic or of unsound mind shall have the same rights and privileges as if they had been original bondholders.

Security to be furnished by the drawn bond-holders if required by the Directors.

22. The Directors, before the grant of loan to any drawn bondholder, may, at their discretion, ask the said bondholder to furnish a personal guarantee of any respectable person for the repayment of the loan amount in case of the bond-holder's death before the repayment of the said loan amount, or to take up a life policy to the extent of the loan amount in his name in any Life Assurance Company approved by the Association on payment of the first year's premium and keep the said policy deposited with the Association as security for the loan amount advanced so that the unpaid loan amount may be adjusted out of the assured amount and the balance paid to the heirs or the nominees of the bondholder in case of his previous death, to avoid litigation which would otherwise arise.

When unpaid loan amount becomes immediately payable.

23. In case any bondholder, after the receipt of the loan amount, discontinues the payment of his instalments for three consecutive months or allows his policy deposited with the Association to lapse owing to the non-payment of his premiums on due dates, the unpaid loan amount shall become immediately payable by him to the Association.

Holding drawings in places other than the Head Office.

24. If there will be not less than 100 bondholders eligible for drawing in any Province or principal town, the Directors may, at their discretion, allow a drawing of the bondholders of that Province or the principal town to be held therein and the names of the bondholders of the said Province or the principal town as the case may be shall not be included in the drawings to be held at the Head Office of the Association if the drawing is held in the said Province or principal town. The examples given under Articles 12 and 13 shall apply to each of the said drawings held separately.

Opening branches in

25. After the Provincial Board is organised in a Province, the Directors

may open a Branch of the Association in the said Province under the management of the said Provincial Board subject to the control and supervision of the Directors. The Directors, if they deem it advisable, may even transfer the accounts of all the bond-holders in the said Province to the said Branch Office and authorize the Provincial Board to issue bonds from the said Branch Office alone.

other Provinces, transfering of bond-holders' accounts to the said branches and authorizing the issue of bonds by them.

26. The principal amount of bonds to be collected from the bond-holders shall form a separate fund called 'The Personal Investment Fund' and such fund shall be as absolute security for the bond-holders.

Personal Investment Fund and sole charge of the bond-holders thereon.

27. The bond-holders of the Association in a Province shall have a preferential lien on the funds collected and invested either in the Government of the said Province or in the securities guaranteed by the said Provincial Government.

Preferential lien of the bond-holders on the funds collected in each Province.

28. The Directors may, if they think it advisable, issue any number of series of bonds of higher or lower denomination and give the benefits to the holders of the said bonds proportionately.

Issue of bonds of higher or lower denomination with proportionate benefits.

29. The Directors may, whenever they deem it necessary, issue separate series of bonds for each Province, or community as they shall think fit.

Separate series for each Province or Community.

## V. CHARITABLE INSTITUTIONS.

30. The Directors shall start Charitable Institutions for feeding the disabled and nourishing the suffering poor at Mysore and also in each and every Province or Principal town throughout India, Burmah and Ceylon and 50 per cent. of the interest accruable on the bondholders' funds of the Association shall be exclusively utilized for the maintenance of the said institutions.

Where Charitable Institutions are to be started and how maintained.

31. If there will be any surplus out of the above said 50 per cent. interest after meeting the expenses of such institutions, the Directors may utilize the same for aiding the Educational, Medical, Religious and other similar charitable institutions as they think fit.

Surplus of 50 per cent. interest to be utilized for aiding Educational, Medical, Religious and other institutions.

32. Fifty per cent. of the interest accruable on the funds to be collected from one lakh bondholders of the first series shall be exclusively utilized for aiding the Educational Institutions and Students' Homes to be established throughout India by His Holiness Sri Jagadguru 'Sivananda Rajendra Sivacharya Mahaswami of Rambhapuri, and the amount thus allotted shall be allocated by a Committee consisting of His Holiness as President and the Directors of the Association as the members of the said Committee.

Utilization of half of the interest accrued on the funds of the first series.

33. If there will be not less than 2,000 fully paid-up bondholders in a Province, District, Taluk or town, the Directors shall at once organize a Provincial or Local Board, as the case may be, in the said Province, District, Taluk or town and make necessary arrangements for starting a charitable institution therein as mentioned in Article No. 30. In case a charitable institution is so started in a Province, District, Taluk or town, 50 per cent. of the interest accruable on the funds of the bondholders in the said Province, District, Taluk or town shall be utilized exclusively for maintaining the charitable institution in the said Province, District, Taluk or town alone.

When charitable institutions to be started and how they are to be maintained.

## VI. MANAGEMENT OF BUSINESS.

34. Mr. M. L. Nagannah shall be and he is hereby appointed as the Chief Organizer of the Association in terms of the agreement, a draft whereof, is set out in the schedule hereto. He shall do everything necessary

Appointment of the Chief Organizer.

for the promotion, registration, formation and establishment of the Association, and also he shall have power to pay and charge to the Capital account all the legal costs, charges and expenses of and incidental to the same.

Association to enter into agreement and agreement to be sealed by the Association.

35. The Association shall enter into the abovesaid agreement with Mr. M. L. Nagannah and the Directors shall forthwith, after the incorporation of the Association, affix the seal of the Association to the said agreement. The Association is formed on the basis that the said agreement shall be entered into and every member of the Association, present or future, shall be deemed to have noticed the provisions of the agreement and to have assented to the terms thereof

Duties of the Secretary.

36. The business of the Association shall be carried on by the Secretary of the Association at Mysore in the name of the Association in the ordinary course, under the control and directions of the Chief Organizer, subject to the Regulations of the Association and bye-laws of the Board of Directors and all receipts signed by the Secretary shall be valid and sufficient to all intents and purposes. The Secretary of the Association shall cause all various disbursements made in carrying on the business of the Association with the previous sanction of the Chief Organizer and shall cause proper accounts kept of all the transactions of the Association. The Secretary, at the end of every calendar year, shall settle and adjust accounts of the Association with the Board and Auditors and shall make out a Balance Sheet and all the Returns and statements required by the Acts to be audited and signed as the Acts require.

Secretary to be in charge of the Head Office.

37. The Secretary shall be solely in charge of the Head Office of the Association and keep all books, documents, papers, accounts etc belonging to the Association in such form as the Chief Organizer directs. The Secretary shall also keep all letters signed by him and shall submit to the meetings of the Association and of the Directors and the Committee, requiring the attention of these bodies.

The Secretary to comply with the provisions of the Acts and Regulations of the Association.

38. The Secretary shall duly comply with the provisions of the Acts and the Regulations of the Association and he shall submit all the necessary returns to the Registrar as well as to the members of the Association then and there in due time in compliance with the said Acts and Regulations.

General Management in the hands of the Chief Organizer.

39. The general management of the business of the Association, subject to the control and supervision of the Directors, shall be in the hands of the Chief Organizer of the Association, who shall have power and authority on behalf of the Association, subject to such control and supervision, to do all other things usual, necessary or desirable in the management of the affairs of the Association or in carrying out its objects, and shall have power to appoint and employ, in or for the purpose of the transaction and management of the affairs and business of the Association, or otherwise for the purpose thereof, with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise, as he shall think fit, and from time to time to remove or suspend the Secretary, Managers, Officers, Chief Agents, Agents, Clerks and other employees as he shall think proper.

Chief Organizer to have power to sub-delegate.

40. The Chief Organizer shall be authorized to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him either by these Articles or by the Directors, and in particular, from time to time appoint an Attorney or Attorneys, for the management and transaction of the affairs of the Association in any specified locality, in such manner as he may think fit.

Endorsement of

41. All Government securities held by the Association, and requiring

the endorsement of the Association, shall be endorsed for and on behalf of the Association by the Secretary, the Chief Organizer and the Chairman of the Board of Directors. Cheques or orders for payment (including that of interest accrued on the Government Securities) given to the Association's bankers for collection, and requiring endorsement of the Association, may be endorsed, on its behalf, by the Secretary alone or such other officer authorized by the Board, and in case the said cheques or orders for payment are to be encashed, the same shall be signed by the Secretary and countersigned by the Chief Organizer.

bills etc.

42. The Chief Organizer shall act as the Superintendent of all the charitable institutions started and aided by the Association.

The Chief Organizer to be the superintendent of all charitable institutions.

## VII. GENERAL MEETINGS.

43. The General Meeting shall be held once at least in every calendar year at such time, not being more than 15 months after the holding of the last preceding General Meeting at such place in Mysore as may be determined by the Directors. Such General Meetings shall be called 'Ordinary Meetings' and all other meetings of the Association shall be called 'Extraordinary Meetings.' 15 clear days' notice at least shall be given to the members for every General Meeting, ordinary or extraordinary.

Ordinary and Extraordinary General Meetings to be held.

44. Five members present in person and entitled to vote, shall be a quorum for an Ordinary General Meeting while the quorum for an Extraordinary General Meeting shall be not less than ten members present in person and entitled to vote.

Quorum.

45. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting. If their be no chairman or if at any meeting, he shall not be present within half an hour after the time appointed for holding such meeting, or is unwilling to act, the Directors present may choose a Chairman, and in default of their doing so, the members present shall choose one of the Directors to be chairman, and if no Director be willing to take the Chair, shall choose one of their number to be Chairman.

Chairman of the General Meetings.

46. Where it is proposed to pass a special resolution, the two meetings may be convened by one and the same notice, and there shall be no objection to such notice as it only convenes the second meeting contingently on the resolution being passed by requisite majority at the first meeting.

Two meetings convened by one notice.

47. The accidental omission to give notice of any meeting to any of the members shall not invalidate any resolution passed at any such meeting.

Ommission to give notice.

## VIII. DIRECTORS.

48. Until otherwise determined by a General Meeting, the number of Directors shall be not less than 4 and not more than 7 excluding Bondholders' Representative. The subscribers of the Memorandum of Association shall be the first Directors of the Association. They shall continue as such until they resign or any others are elected in their place in the first or subsequent General Meetings subject to the provisions of any agreement between all or any of them and the Association.

Number of Directors and first Directors.

49. As soon as there will be 2,000 fully paid-up bondholders, the Directors shall apply either to the Government of Mysore or that of India for the appointment of a Bondholders' Representative on the Board of Directors to watch the interests of the bondholders. The said appointment may be made by the Government once in every year or otherwise as they shall think fit. The Bondholders' Repre-

Election of bondholders' representative by the Government to be on the Board and his remuneration.

sentative shall be entitled to the same privileges and remuneration as any other Director of the Association.

Power of Directors to appoint additional Directors.

50. The Directors shall have power, at any time, and from time to time, to appoint any other qualified person as a Director, either to fill up a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not, at any time, exceed the maximum number fixed.

Qualification of each Director and when the office of a Director to be vacated.

51. The qualification of a Director shall be the holding of at least 20 shares in the Association to the nominal value of Rs. 1000/-. The Office of a Director shall **ipso facto** be vacated if he ceases to hold the number of shares required to qualify him for office, or if he becomes a defaulter on account of non-payment of two instalments consecutively or if he is convicted for any offence involving moral turpitude.

Remuneration of Directors.

52. A Director shall be paid by way of remuneration for his services a sum of Rs. 25 for each meeting of the Board and a sum of Rs. 12-8-0 for each meeting of the Committee attended by him and all the Directors including Bondholders' Representative (if any nominated) shall, in addition, receive 10 per cent of the net profits of the Association every year to be divided equally among them. Until the business of the Association is commenced, the Directors shall not be entitled to any meeting fees and even after the business is commenced, they shall be entitled to only half of the meeting fees specified above till the whole capital of the Association is fully subscribed.

Travelling expenses of the Directors.

53. The Directors may allow and pay to any Director who is not a bona-fide resident of Mysore and who shall come to Mysore for the purpose of attending the meeting, such sum as the Directors may consider fair compensation for his travelling expenses in addition to his fee for attending such meeting as above specified.

Power of Director to retire.

54. A Director may retire from office after giving three months' notice in writing to the Association of his intention so to do, and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.

Who is to call the meeting of Directors and Committee of Directors.

55. The Secretary on the requisition of the Chief Organizer or of the majority of the Directors, shall at any time, summon the meeting of the Directors or of the Committee of Directors.

Quorum and number of meetings.

56. Unless otherwise determined by the Directors, the quorum of the meeting of the Board or the Committee of the Directors, shall be three. In a calendar year, the meetings of the Board shall not be more than two and those of the Committee shall not be more than twelve, except in emergent cases

Resolution without Board Meeting valid.

57. A resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

Appointment of the Committee.

58. The Directors shall appoint a Committee consisting of the Chief Organizer, the Bondholders' Representative ( if any nominated ) and two of the other Directors for conducting the business of the Association and all acts done by the said committee in conformity with the Regulation but not otherwise, shall have the like force and effect as if done by the Directors unless any of such powers are specifically restricted by the Board.

Powers and duties of the Committee.

59. The Directors may, from time to time, entrust to and confer upon the said Committee such of the powers exerciseable under these presents by the Directors as they may think fit and may confer such powers for such

time and to be exercised for such object and purposes and upon such terms and conditions, and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of, and substitution for, all or any of the powers of the Directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Meetings of the Committee.

60. The Committee shall in the exercise of powers so delegated, conform to any Regulations that may, from time to time, be imposed upon it by the Directors. The meetings and the proceedings of the said Committee shall be governed by the Regulations provided for conducting the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any Regulations made by the Directors.

Resolutions of the Committee requiring the approval of the majority of the Directors.

61. All the resolutions passed in a meeting of the Committee concerning matters of which powers are restricted by the Directors shall be circulated to all the Directors of the Association who are not members of the Committee for approval by post or otherwise and such resolutions as will meet the approval of the majority of them shall be given effect to.

Minutes of proceedings of the Association and of the Directors and Committee to be kept.

62. The Directors shall cause minutes to be made in books provided for the purpose,

1. of all the appointments of the officers and Committees made by the Directors;

2 of the names of the Directors present at each meeting of the Directors and of Committee of Directors;

3. of all orders made by the Directors and Committee of Directors;

4. of all resolutions and proceedings of General Meetings, and all meetings of the Directors and Committee.

Minutes of proceedings if signed by the Chairman shall be received as prima-facie evidence.

63. Any such minutes of any meeting of the Directors or of the Committee or of the Association, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall be received as prima-facie evidence of the matters stated in such minutes.

Secretary to send copies of resolutions of meetings to all the Directors.

64. The Secretary of the Association shall act as the Secretary of all the meetings of the Directors and of the Committee of Directors and he shall be in charge of the Minutes book. Copies of all resolutions and proceedings of every meeting of the Directors or of the Committee of Directors shall be sent to all the Directors of the Association within a week from the date of such meeting, and every copy shall be certified by the Secretary and the Chairman of the Meeting as true copy of the said resolutions and proceedings.

## IX. POWERS OF DIRECTORS.

Powers of Directors.

65. The Directors, in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Association, and are not hereby or by law expressly directed or required to be exercised or done by the Association in General Meeting; but subject, nevertheless, to the provisions of the said Act and under these presents, and to any Regulations from time to time made by the Association in General Meeting; provided that no Regulation so made shall invalidate a prior act of

the Directors which would have been valid if such Regulation had not been made.

Express powers of the Directors,

66. In furtherence and in not limitation of, and without prejudice to the general powers conferred by these Articles, it is hereby expressly declared that the Directors shall have the following powers, that is to say, power:—

to pay preliminary expenses.

(a) to pay and to charge to the Capital Account of the Association the Legal costs, charges and expenses of and incidental to the promotion, registration, formation and establishment of the Association,

to execute agreement.

(b) to execute or cause to be executed on behalf of the Association an agreement in terms of the draft thereof already prepared and purporting to be made between the Association of the one part and Mr. M. L. Nagannah of the other part, which draft is set out in the Schedule hereto,

to execute other agreements.

(c) to execute or cause to be executed on behalf of the Association an agreement or agreements with any person or persons for conducting and furthering the business of the Association upon the terms and conditions as they think fit,

to organize Provincial and Local Boards, Branches & Agencies.

(d) to organize Local and Provincial Boards, Branches and Agencies within and beyond the limits of India, Burma and Ceylon whenever the Directors deem it necessary, on such terms and conditions and also with such powers and duties as the Directors may, from time to time determine,

foreign business.

(e) to take all necessary steps for registering the Association in conformity with the laws of any foreign State or British Colony or Dependency and apply for and accept all statutes, laws or Decrees of the Government or authorities thereof necessary or expedient for enabling the Association to carry on business w thin the jurisdiction of such State or Colony or Dependency, and for the purpose of transacting business or of getting the advantage of business transactions abroad, to form and carry subsidiary company ,English, Colonial or Foreign and to subscribe for or purchase and hold or dispose of the whole or any part of the capital of such company and to use any subsidiary company as Agency or Branch,

to pay expenses for formation of such companies,

(f) to pay out of the capital of any such company all fees, costs, charges and expenses which may be incurred, or sustained in connection with the promotion and registration of any such company, or in connection with any other matter relating thereto,

to appoint and remove officers and others.

(g) to appoint and at their pleasure to remove or suspend (subject to the provisions of any agreement between them and the Association) Secretaries, Managers, Officers, Local and Provincial Directors, Chief Agents, Agents, Clerks and other employees for permanent or temporary or special services as they may from time to time, think fit and to determine their powers and duties and fix their salaries or emoluments and to acquire security in such instances and to such amount as they think fit,

(h) to enter in the name and for the purposes of the Association into such contracts as they may, in the exercise of discretion, consider necessary, including the accepting, making and negotiating of bills of exchange, promissory notes or other similar obligations, — to enter into contracts

(i) to institute, conduct, defend, compromise and abandon any legal proceedings by or against the Association or its officers or otherwise, concerning the affairs of the Association, — to institute legal proceedings.

(j) to refer to arbitration any claims or demands of or against the Association or any differences between the Association or the Board and other persons, and to perform and observe the awards therein or to contest the same if thought expedient, — to refer to arbitration.

(k) to issue in their absolute discretion the whole or any part of the shares for the time being forming part of the capital of the Association as and when and subject to such terms and conditions and either at par or at such premium, and to such person or persons, to the exclusion of any other persons or class of persons as the Board, acting in pursuance of these presents, may deem it necessary, proper or expedient in any circumstances whatsoever, — to issue shares.

(l) to purchase, hire, rent or otherwise acquire at any place whatever, such lands, houses and buildings, as they consider advisable for the purposes of the Association and to pull down, remove, alter and convert any such houses or buildings and to fit up and furnish, and insure against loss by fire all or any such houses or buildings with or without fittings and furniture, and to let or demise or give possession of, the whole or any part of the same whether fitted up or furnished or otherwise to such person or persons and upon such terms as to tenancy and occupation, as they consider advisable in the interests of the Association and the promotion of or carrying on its business, — to acquire lands and buildings.

(m) to let, mortgage, sell or otherwise dispose of any property of the Association either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit, and to accept payment or satisfaction for same in cash or in the Association debentures or in fully paid-up or other shares of the Association or partly in cash and partly in such debentures or shares or in such other manner as the Board deem expedient, — to mortgage and sell property.

(n) to buy or procure the supply of all plant, machinery, materials, stores, fuel, implements, apparatus, furniture and other moveable property required for the purposes of the Association, — to purchase machinery etc. for the use of the Association.

(o) to raise or borrow money for the purpose of the Association on the mortgage of its property or any part thereof or otherwise, and either including any part of the capital of the Association paid or unpaid, and either on any bond or debenture payable to bearer or otherwise, or on any call or any of such securities and at such rate of interest and re- — to borrow money.

payable in such manner and generally upon such terms as the Board shall think fit,

to pay debts and claims.

(p) to pay and satisfy all debts due from and all liabilities of and claims and demands against the Association,

to delegate and sub-delegate powers etc.

(q) to delegate to any person or persons any of the powers, authorities and discretions vested in the Directors and also authorise him or them to sub-delegate,

to issue power of Attorney

(r) to appoint by power of attorney any person or persons to be the attorney or attorneys of the Association for such purpose and with such powers, authorities and discretions and for such period and subject to such conditions as the Directors may, from time to time, think fit,

to appoint Trustees.

(s) to appoint any person or persons) whether incorporated or not) to accept and hold in trust for the Association in which it is interested or any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such Trustee or Trustees,

to authorize acceptance etc.

(t) to determine the person or persons who shall be entitled to sign on behalf of the Association bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents,

to give security by way of indemnity.

(u) to execute in the name of and on behalf of the Association in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Association, such mortgages of the Association's property, present and future, as they think fit and any such mortgage may contain the power of sale and such other powers, covenants and provisions as shall be agreed upon,

to invest funds of the Association.

(v) to invest the funds of the Association from time to time in any Government Securities, to vary such invesments and to execute all assignments, and tranfers, receipts and documents that may be necessary or expedient in that behalf,

to pay commission and profits.

(w) to give to any person employed by the Association a commission or share in the general profits of the Association on any particular business done by him such commission or share of profits being treated as part of working expenses of the Association,

to frame bye-laws.

(x) to make bye-laws in conformity with these Articles to provide for cases and conditions not provided for herein and

general.

(y) generally to do, sanction and authorise all such matters and things as may be necessary to be done in or about conducting the affairs of the Association or carry into effect all or any of the objects or powers of the Association as expressed in the Memorandum of Association, or in and about the execution of all or any of the powers hereinbefore conferred upon the Directors.

## X. SEAL.

The seal, its custody and use.

67. The Directors shall provide a common seal for the purposes of the Association, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Directors shall provide for the safe custody of the seal for the time being and the seal shall never be used except by the authority of the Directors or the Committee of Directors previously given.

Deeds.

68. All deeds, certificates or other instruments executed on behalf of the Association, shall be in such form and contain such powers, provisos, conditions, covenants, clauses and agreements as the Directors shall think fit and in addition to their being impressed with the seal of the Association, they shall be signed by the Secretary and counter-signed by the Chief Organizer or any other Director appointed by the Board; in case the said certificate, deed or instrument is in favour of either the Secretary or the Chief Organizer, it shall be signed by any two of the other Directors.

## XI. AUDIT.

Accounts to be audited annually.

69. Once at least in every calendar year the accounts of the Association shall be examined and the correctness of the Profit and Loss Account and the Balance Sheet ascertained by one or more Auditor or Auditors.

Audit provisions; rights and duties of auditors.

70. The Association, at each Ordinary General Meeting, shall appoint an Auditor or Auditors to hold office until the next Ordinary General Meeting and their remuneration, rights and duties shall be regulated by Sections 144 and 145 of the Mysore Companies Regulation.

Audit of accounts by the auditor appointed by the Government.

71. As soon as the Association secures 2,000 fully paid-up bondholders, the Directors shall apply to the Government of Mysore for the appointment of an auditor on behalf of the bondholders for auditing the accounts of the Association in addition to their being audited by the Auditor appointed by the Shareholders. If the Government appoints such an auditor, such remuneration as the Government direct, shall be paid to him by the Association.

When accounts to be deemed finally settled.

72. Every account of the Directors when audited and approved by the General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered, within that period, the accounts shall forthwith be corrected and thenceforth shall be conclusive.

Destruction of records relating to the period previous to 3 years.

73. The Secretary, at the end of every calendar year may, with the previous sanction of the Board, destroy files of correspondence, vouchers and other papers which will be relating to the period previous to three years and also not required for any future reference they being unnecessary and unimportant.

## XII. NOTICES.

How notices are to be served on members.

74. The notice may be served by the Association upon any member, either personally or by sending it through the post in a prepaid card, letter, envelope or wrapper, addressd to such member at his registered place of address.

Members residing abroad.

75. Each holder of registered shares whose registered place of address is not in India, Burma or Ceylon, may from time to time, notify in writing to the Association an address in India, Burma or Ceylon, which shall be deemed his registered place of address within the meaning of the last preceding clause.

Notices where no

76. As regards those members who have no registered place of address

address.

in India, Burmah and Ceylon, a notice posted up in the Office shall be deemed to be well served on them at the expiration of 24 hours after it is posted up.

Notice to joint-holders.

77. All notices shall, with respect to any registered shares to which persons are jointly entitled, be given to whichever of such persons is first named in the register and notice so given shall be sufficient notice to all the holders of such shares.

When notice by post deemed to be served.

78. Any notice sent by post shall be deemed to have been served on the day on which the card, letter, envelope or wrapper containing the same is posted and in proving such service, it shall be sufficient to prove that the card, letter, envelope or wrapper containing the notice was properly addressed and put into the post office. A certificate in writing signed by the Secretary, Manager or other officer of the Association that the card, letter, envelope or wrapper containing the notice was so addressed and posted shall be conclusive evidence thereof.

Notice by advertisement in newspapers.

79. The Notice of the General Meeting whether ordinary or extraordinary, may be given to the members by advertisement only once in two daily newspapers one of which should be a local newspaper and the other should have publication in British India. If the notice is so given by advertisement, the notice shall be deemed to have been served upon the members on the day the said notice will be published in the said papers.

Transferees etc. bound by prior notice.

80. Every person who, by operation of transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such shares which, previously to his name and address being entered in the register, shall be duly given to the person from whom he derives his title to such share.

Notice valid though members deceased.

81. Any notice or document sent by post to, or left at the registered address of, any member, in pursuance of These Presents, shall, notwithstanding such member being then deceased, or whether or not the Association has notice of his decease, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder thereof, and such service shall for all purposes of These Presents be deemed sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any, jointly interested with him, in any such shares.

How notice to be signed.

82. Any notice to be given by the Association shall be signed by the Secretary or by such other officer as the Directors may appoint and the signature thereto may be written, printed or lithographed.

## XIII. DIVIDENDS AND RESERVE.

Payment of dividends to shareholders

83. The Shareholders shall be entitled to the dividends out of the profits of the Association provided they will have paid up their full share amounts before the end of the year for which the dividends will be declared.

Unclaimed dividends

84. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Association until claimed and all dividends unclaimed for three years after having been declared, may be forfeited by the Directors for the benefit of the Association.

Reserve Fund.

85. The surplus amount of interest accrued on the bondholders' fund (after transferring the prescribed amount to the Drawing and Charity Funds

as herein-before mentioned) every year, plus the admission fees, cost of bond and penalty payable by the bondholders as also the amount of loans re-payable by the drawn bondholders, less all the working expenses of the Association and the dividends payable to the Shareholders shall be the Reserve Fund of the Association.

When Charity Fund can be appropriated for working expenses.

86. If in any year the working expenses of the Association exceed the surplus amount of interest and other incomes of the Association as mentioned in the last preceding Article, the Directors shall appropriate a portion of interest amount transferable to the Charity Fund for that year so as to cover the expenses incurred in excess during that year in case they find that the same cannot be met out of the existing Reserve Fund.

Appropriation of forfeited shares and bonds amount

87. Till the preliminary expenses are entirely written off, the amount of forfeited shares and bonds shall be transferred to the Profit and Loss Account of the Association while the same shall be transferred to the Reserve Fund of the Association thereafter. The transfer of the forfeited shares amount shall be effective only after the shares so forfeited are re-issued by the Association.

Appropriation Reserve Fund.

88. The Directors may, from time to time, apply the Reserve Fund, if any, or such portion thereof as they think fit, to meet contingencies or losses or for equalizing dividends or for repairing and maintaining buildings and premises of the Association or any part thereof or for any purpose of the Association which they may, from time to time, deem expedient.

## XIV. INVESTMENT OF FUNDS.

General Banking accounts.

89. The Directors shall cause the banking account or accounts of the Association to be kept in the name of the Association with such bank or bankers as the Directors from time to time, determine and every sum paid on behalf of the Association amounting to Rs. 100 or upwards (except payments made from suspense account) shall be paid by cheque drawn on the bank or bankers of the Association and signed by the Secretary of the Association and countersigned by the Chief Organizer and the Chairman of the Board of Directors.

Suspense Account with the bank.

90. The Directors may, if they think fit, open an account with the local bankers of the Association to be called the Suspense Account and may place a sum not exceeding Rs. 1000 to the credit thereof and may authorize the Secretary and the Chief Organizer alone to operate on such account for the purposes of the Association and the Board shall, at each of their Meetings, examine and audit the suspense account and may, if they think fit, replace the amount which has been drawn from that account or so much thereof as they deem expedient by transferring to that account from the General Funds of the Association a sum equal to the amount which has been so drawn out or by such other means as they think fit.

Authority of Board for payment.

91. No payment other than payment from the Suspense Account shall be made without the authority of the Board or the Committee of the Directors

Investment of paid-up capital.

92. The paid-up capital of the Association shall be invested entirely in the Personal Investment Department of the Association and the said Department shall issue Personal Investment Bonds in favour of the Shareholders in lieu of the Share amounts to be invested therein so that the shareholders also may enjoy the privileges of the bondholders as mentioned in Article No. 8.

Investment of personal Investment Funds.

93. The Personal Investment Funds (that is, the principal amount of bonds to be collected from the bondholders) shall be invested entirely and also

perpetually either in the Government of Mysore or in either Indian or Foreign Government at a minimum rate of six per cent. interest per annum. In case no Government is willing to receive the abovesaid funds as perpetual deposit at the abovesaid rate of interest, the said Personal Investment Funds shall be invested entirely in the securities guaranteed by any of the said Governments.

Appointment of Official Trustee or Trustees, and the Government securities to be kept in safe custody.

94. If the Government securities are purchased by the Association as mentioned in the last preceding Article, they shall be held for safe custody by an Official Trustee or Trustees appointed for the purpose by either the Government of Mysore or any other Government, either Indian or Foreign or both.

Government Securities to be deposited with the Bankers of the Association.

95. Till the Official Trustee or Trustees are appointed by the Government, all the Government securities purchased by the Association shall be kept deposited with the Bank or Bankers of the Association for safe custody.

Funds invested in and Official Trustee appointed by Local Governments.

96. If there will be not less than 2,000 fully paid-up bondholders in any Province, the Directors may invest the funds collected from the bondholders in the said Province either in the said Provincial Government or in the Securities guaranteed by such Government and they may allow the said Government Securities to be held for safe custody by an Official Trustee appointed by the said Government alone

Investment of Reserve Fund.

97. The Reserve Fund of the Association together with interest accruable thereon shall be utilized in purchasing or constructing buildings for the Head Office, Chief Agency Offices and Charitable Institutions of the Association and the surplus Reserve Fund, if any, shall be invested in such securities as are determined by the Board from time to time.

## XV. INDEMNITY AND RESPONSIBILITY.

Directors' and others' rights indemnified.

98. Every Director and other Officer or servant of the Association shall be indemnified by the Association against, and it shall be the duty of the Directors, out of the funds of the Association to pay all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or deed done by him as such officer or servant, or in any way in the discharge of his duties, including travelling expenses and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Association and have the priority as between the members over all other claims.

Not responsible for acts of others.

99. No Director or other officer or servant of the Association shall be liable for the acts, proceeds, neglects or defaults of any other Director or officer or servant or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Association through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Association or for the insufficiency or deficiency in any security to or upon which any of the monies of the Association shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by an error of judgment oroversight on his part, or any other loss, or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

## XVI. SECRECY CLAUSE.

Secrecy Clause.

100. Every Director, Auditor, Secretary, Officer, servant, agent, accountant or other person employed in the business of the Association shall,

before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Association with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Directors or by any meeting, or by a Court of law, or by the person to whom such matters relate, and except so far as may be necessary in order to comply with any of the provisions contained in These Presents.

# SCHEDULE.

(Draft agreement referred to in clause No. 3 (n) of the Memorandum and Articles Nos. 34, 35 & 66 (b) of the Articles of Association)

This Agreement made and entered into this day of 1926 between the All India Co-operative and Charitable Association Ltd., an Association registered under the Mysore Companies Regulation No. VIII of 1917 and having its Registered Office situate in Mysore (hereinafter called 'the said Association') of the one part and Mysore Lingannah Nagannah residing in Old Agrahar, Krishnaraj Mohallah, Mysore (hereinafter called 'the said Mr. M. L. Nagannah') of the other part, WITNESSETH THAT

Whereas it is provided in the Memorandum and Articles of Association of the said Association that the said Mr. M. L. Nagannah shall be the Chief Organizer of the Association and the Directors of the said Association are authorized by the said Articles of Association to execute or cause to be executed on behalf of the Association, this present agreement and whereas the said Association was registered on the day of 1926, it is hereby mutually agreed by and between the parties hereto and their successors and assigns in manner following, that is to say:—

1. The said Mr. M. L. Nagannah, his successors and assigns shall be the Chief Organizers of the said Association for a period of 25 years from the date of the registration of the said Association and thereafter until they of their own free will resign; and it is expressly agreed and declared by and between the parties that the appointment of the said Mr. M. L. Nagannah as such Chief Organizer shall not, during the continuance of this agreement, be revoked or cancelled on any ground or for any reason whatsoever save and except upon his being found guilty of fraud upon the said Association, by a competent Court of Law.

2. The remuneration of the said Mr. M. L. Nagannah, as such Chief Organizer shall be as follows:—

   (a) From and after the commencement of the business of the said Association, an allowance of Rs. 100 per mensem and from and after the date when the capital of the said Association will be fully subscribed, an allowance of Rs. 200 per mensem or such other larger sum as may, from time to time, be fixed by the Directors as Office allowance.

   (b) A commission of 1 per cent. on the nominal value of shares and Personal Investment Bonds allotted by the Association on receipt of the application moneys.

   (c) A commission of 2½ per cent. on the interest realized by the Association on its invested Funds and from its bond-holders.

   (d) A commission of 2½ per cent. on the amount of instalments re-paid to the Association by the drawn bondholders on account of the loans granted to them.

3. If the said Association shall, at any time hereafter, carry on any business other than the Personal Investment business, the said Mr. M. L. Nagannah shall be paid such further remuneration as the Directors may deem fit.

4. The said Mr. M. L. Nagnnah shall be at liberty to canvass any business of the Association in any part of the world and not only he, on the business done by his own exertion, shall get full commission and bonus payable to the Chief Agents of the Associa-

tion on such business, apart from that mentioned in clause 2 (b) of this agreement but also none else shall have any right to claim any over-riding commission on the business done by him.

The head-quarters of the said Mr. M. L. Nagannah shall be in the city of Mysore and if he goes outside the Mysore city on account of the business of the Association i. e. either for organizing new Agencies and Branches or for inspecting the old ones, he shall be entitled to single second class railway fare for himself and single third class railway fare for his servant together with a bata of Rs. 5 per day for the number of days he stays outside on account of the business aforesaid.

6. Subject to the control and supervision of the Directors, the said Mr. M. L. Nagannah shall have the general conduct and management of business and affairs of the Association and shall exercise all the powers vested and to be vested in him either by the Association or by the Directors. He shall have power and authority on behalf of the Association subject to such control and supervision of the Directors, to enter into all contracts and to do all other things, usual, necessary or desirable in the management of the affairs of the Association or in carrying out its objects, and he shall have power to appoint and employ in or for the purposes of the transaction and management of the affairs and business of the Association or otherwise for the purpose thereof, Secretary or Secretaries, Manager or Managers, Officers, clerks and other employees with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise as he shall think fit, and to remove or suspend such Secretaries, Managers, Officers, clerks and other employees as he shall deem necessary.

7. The said Mr. M. L. Nagannah shall continue as a Director and also one of the members of the Committee of Directors of the Association as long as he continues to be the Chief Organizer of the Association and he shall not be subject to any rotation.

8. In the event of the said Association being wound up at any time for the purpose and with the object of transferring its business to another company, the said Association shall make it one of the terms and stipulations of their agreement for the transfer of their property and business to such other company as aforesaid that such other company shall appoint the said Mr. M. L. Nagannah to be the Chief Organizer of such new company and with like powers and authorities to the said Mr. M. L. Nagannah and on the same terms and conditions as to remuneration, emoluments and otherwise as are herein contained; it is hereby expressly agreed and declared that save and except with such commission and stipulation as one of the sale and transfer thereof, the said Association shall not sell and transfer their business to any other company.

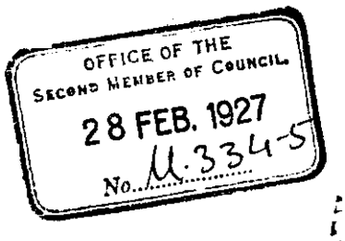
In witness whereof, the common seal of the All India Co-operative and Charitable Association Ltd. and the hand of the said Mr. M. L. Nagannah hereunto affixed the day, month and year above-written.

The common seal of the All India Co-operative and Charitable Association Ltd. has been hereunto affixed and Mr..... has subscribed his signature to this agreement for and on behalf of the said Association pursuant to the resolution of the Board of Directors passed at a meeting of the Board held on.....1926.

In the presence of:—

MYSORE PRESS, MYSORE.

From




The Chief Organizer
All-India Mutual Aid & Poor
Houses Association Limited.
M Y S O R E.

3393

To
Rajakaryaprasakta Diwan Bahadur
M.N. Krishna Rao, Esq., B.A.,
Second Member of Council to the
Government of His Highness the
Maharaja of Mysore, BANGALORE.

No. 2098-2101 Encls: 8

Dated 25 FEB 1927

---

Dear Sir,

With reference to the ---- abovesaid Association, we beg leave to bring the following facts to your kind notice and request the favour of the Government issuing a favourable - order at their earliest convenience.

As the undersigned wanted to start the abovesaid Association at Mysore with an object of starting --- POOR HOUSES for feeding the disabled and nursing the suffering poor in all the principal towns throughout -- India, Burmah and Ceylon, he submit-- ted the Memorandum and Articles of -- Association to the Registrar of Joint Stock Companies in Mysore, Bangalore, on 22nd May 1926 for the first time.. for incorporation in accordance with Section 22 of the Mysore Companies -- Regulation No.VIII of 1917. As the Registrar after thorough scrutiny --- thought that the abovesaid documents

documents required some amendments, we had to resubmit the same --- finally on 26th June 1926 after making necessary amendments strictly in accordance with Law and also the instructions of the Registrar -- and consequently, the Registrar was pleased to register the said --- documents and issued the Incorporation Certificate of the Association on 8th July 1926 in compliance with Sections 22 and 23 (1) of the --- Mysore Companies Regulation. For your kind perusal, we have enclosed herein the amended copies of the Memorandum and Articles of Asso-- ciation as also that of the Incorporation certificate.

After the Incorporation of the Association, as required by - Section 92 (2) of the Mysore Companies Regulation, we filed copies of the English and Kannada prospectuses of the Association for the ---- first time on 10th August 1926 after complying with the requirements of Section 93 of the Mysore Companies Regulation. As the Registrar after careful scrutiny found that the requirement of Sub Section --- 1 (k) of Section 93 of the Mysore Companies Regulation had not been properly complied with and also some other amendments especially as regards the appointment of the Bondholders' Representative and an --- Auditor by the Government were necessary, we had to refile with the Registrar for the last time on 1st November 1926, the said copies of the prospectuses after amending the same strictly in accordance with Law as also with the instructions of the Registrar to the very letter.

As the Registrar delayed acknowledging the receipt of the --- copies of the amended prospectuses, we had to send a reminder on 6th: November 1926 requesting him to acknowledge the copies of the prospectuses but to our great surprise and disappointment, he (the Registrar) instead of acknowledging and filing the said copies of the prospectuses wrote to us in his letter No.870 dated 9th November 1926 to say -- that the question of filing the same was receiving his attention and we should not publish the prospectuses till the receipt of his intimation for his having filed the prospectuses. But, as the Directors -- saw that as per Section 92 (2) of the Mysore Companies Regulation, we had only to file copies of the prospectuses with the Registrar on or - before the date of their publication but not to wait for either the --

the acknowledgment or intimation of the Registrar for his having -- filed the prospectuses, they (the Directors) in their Meeting held - on 6th November 1926 passed a Resolution that the Association should publish the prospectuses without waiting for the Registrar's acknowledgment or intimation, as the said prospectuses had been amended -- strictly in accordance with Law and the instructions of the Registra For your kind information, we have enclosed herein a copy of the --- Registrar's letter dated 9th November 1926 and that of the Directors Resolution passed on 6th November 1926.

Subsequently, as we had received applications for more than - the required minimum number of shares, the Directors had to allot -- the said shares to the applicants on 6th November 1926 in compliance with Section 101 of the Mysore Companies Regulation. As we did --- comply with all the conditions mentioned in Section 103 (1) of the - Mysore Companies Regulation including the allotment of the minimum - number of shares, we submitted to the Registrar on 30th November 192 the duly verified Declaration of the undersigned for having complied with all the said conditions as required by the said Section and requested him (the Registrar) to issue and send us the Business Commencement Certificate in compliance with Section 103 (2) of the Mysore Companies Regulation. But, the Registrar in his letter No.921 ---- dated 3rd December 1926 wrote to us to say that he could not take an action in the matter (i.e., in the issue of the Business Commencemen Certificate) until the question relating to the filing of the pros-- pectuses was decided. For your kind information, we have enclosed herein a copy of the Registrar's letter.

So, we, in our letter No.1805 dated 6/8th December 1926 ---- pointed out to the Registrar that in all matters connected with the - Registration, Formation and Promotion of the Joint Stock Companies -- In Mysore, both the Registrar and the said Companies should be guided by the Mysore Companies Regulation and its provisions strictly adhered to as the same were mandatory but not discretionery and as such he (the Registrar) could not defer the filing of the prospectuses and -- delay the issue of the Business Commencement Certificate on that ----

that ground, in the absence of any provision in the Mysore Companies Regulation to show that the filing of the prospectus and the issue of the Business Commencement Certificate were at the discretion of the Registrar contrary to Sections 92 (2) and --- 103 (2) though the provisions contained in Sections 93 and ---- 103 (1) had been strictly complied with respectively. We ---- further requested the Registrar in the same letter to kindly let us know if we were wrong in any way either legally or morally - and assured him that we would rectify the defects if any immediately on hearing from him. To our great misfortune, the Registrar has not been pleased either to issue the Business Commencement Certificate or/to let us know the reasons for the delay in --- issuing the same upto now, in spite of our repeated reminders, - though it is more than three months and a half since the copies of the prospectuses were filed finally with him and two months - and a half since the verified Declaration before commencing ---- business was submitted to him. For your kind information, a -- copy of our letter No.1805 dated 6/8th December 1926 is enclosed herein.

In addition to this, you know that in compliance with - the provisions made in the Memorandum and Articles of Association we have to invest all our funds entirely in the Government or --- Governments or in the Securities guaranteed by the said Govern--- ment or Governments. Until necessary arrangements are made with either the Government of Mysore or that of India either for ----- accepting our funds perpetually as permanent deposit or for ----- appointing an Official Trustee to hold the Government Securities of the Association in his Safe custody, we wanted to invest our - funds in the Bank of Mysore Ltd,. and consequently applied to the Manager of the Bank to open a current account in the name of the Association. To our great surprise, the Bank refused to open - the account as requested though the Manager of the Mysore Branch had recommended and the Chairman of the Bank had said that there could be no difficulty in opening the account and he would ask --

ask the Manager to do so. On personal enquiry, the undersigned was told by the Chairman of the Bank that the Bank could not --- open the account in the name of the Association as per instruc-- tions given by a high functionery of the Government, whose name he would not give.

So, we had to apply to the Imperial Bank of India, Madras for opening an account and receiving our funds. The said Bank - was pleased to open an account in the name of the Association but wanted a copy of the Memorandum and Articles of Association duly certified by the Registrar before it could open. We therefore - submitted a stamped copy of the said Memorandum & and Articles - of Association to the Registrar with our letter No.857 dated 24th September 1926 for being certified and returned by him as per --- Section 248 (3) of the Mysore Companies Regulation. To our ---- great misfortune, though it is nearly five months since it was -- sent to the Registrar, he would not either certify and return the copy or let us know the reasons for the delay in so certifying in spite of our repeated reminders. In the meanwhile, on or about the 21st September 1926, the District Magistrate, Mysore District, sent for the undersigned and made him understand that the Government considered our scheme to be a lottery and he (the undersigned) would run the risk of being prosecuted by the Government in - case the Association was not closed. But, the undersigned could not be discouraged as he had been perfectly convinced of the ---- legality of the scheme. In these circumstances, you will see -- that the Government instead of giving due encouragement to this - indigenous concern especially in consideration of its having been started with an object of relieving the distress of the suffering humanity, are placing all sorts of impediements in the way of the Association for checking its progress. Consequently, the Association is incurring a heavy loss ever since it was incorporated as it cannot ~~continue~~ commence its business without Business Commencement --- certificate but is to meet the Establishment charges for no business whatsoever. No doubt, the undersigned is not getting any--

anything in form of allowance nor will he get the same even -- after the commencement of business until the Association begins to make profits. The same case with the directors also as they are working honorarily for the Association.

add insult to injury, the Publicity Officer to the - Government of Mysore, has issued a Press Communique on the 4th and 5th instant purporting that the provisions made by the ---- Association in its Memorandum and Articles of Association are - unauthorized and the Government are not inclined to patronize - the Association, and the said Communique has been published by all the English and Vernacular Newspapers in the Mysore Provinc as also in many leading Newspapers outside. As the said Com-- munique has naturally left an impression in the minds of the -- public that the provisions referred to in the same have been -- made by the Association with an object of defrauding its consti tuents but not of safeguarding them, it is needless to say that the Communique has been a death blow to the progress of the --- Association. As mentioned in the enclosed copy of the rejoind er sent by us for publication in some ~~Nsw~~ of the Newspapers in response to the abovesaid Communique, you will see that the --- notions of the Government are incorrect and they ought to have decided the matter and issued the Communique in case they could not be satisfied with our explanations and the honesty of our - purpose.

In this connection, we have to impress upon your mind that whenever a Company is to be started, according to Company - Law the objects of the Company should be stated in its Memoran- dum and the rules and regulations for the conduct of its busi-- ness should be stated in its Articles while the prospectus ---- should contain all the objects of the Company and the important particulars mentioned in the Articles. In the same way, as it ~~it~~ was our object that either the funds of the Association --- should be entirely and permanently invested in the Government -

Government or Governments, or the funds should be invested in the Government Securities and the said Securities should be - held for safe custody by an Official Trustee or Trustees to - be appointed by the Government or Governments, this had to -- find a place in the Memorandum and Articles as also in the -- prospectus. As regards the provision for the appointment of a Bondholders' Representative and an Auditor by the Government, the same had to be made in the Articles for the honest conduct of the business and it had to find a place in the prospectus - also. It is not possible even to imagine for a moment by anybody ~~xxxxxxxxxx~~ that these provisions were made to the advan-- tage of the promoters but on the other hand, anybody can understand that the same has been made for ensuring the safety of - the constituents of the Association and the perpetual running of the Institution.

As mentioned in the beginning of this letter, all the abovesaid three documents were thoroughly scrutinized by the Registrar and amended as per his instructions. If the - Government had wanted to make any further amendments, we would have readily made them. Moreover, the undersigned was prompted to start this Association as he saw that the poor and helpless that are in distress in good number both in the Mysore -- Province and elsewhere were not being taken care of either by the Government or by the public and that there could not be -- any real and better worship of God other than to alleviate the misery of such suffering people. So, at the time of the ---- incorporation of the Association, we never suspected that the Government would take the matter in the light in which they -- have taken now but on the other hand, we really thought that - the Government would welcome such provisions as they are in the interest of the public at large and patronize the Association as the work that ought to have been taken up by the Government itself was to be undertaken by the Association.

Apart from the fact that the Charity to be undertaken by
ıe Association is of the best kind and a perpetual one, the -
ıheme devised for fulfilling the objects of the Association is
ısed on the soundest possible principles without there being -
ısolutely no risk or speculation whatsoever. As explained in
ıe enclosed prospectus, the working of the scheme is briefly -
ıis. Every person desirous of partaking the benefit of --
e charity to be done by the Association is to keep a sum of -
ı.50/- deposited permanently with the Association free of ----
ıterest by paying the said amount either in a limpsum or by --
monthly instalments of Re.1/- each. The Association will -
its turn invest the said deposit amounts for interest in the
vernment or its Securities entirely and permanently. Out of
e interest the Association gets from the Government on this -
vestment, one half will be exclusively utilized for maintain-
g the Poor Houses. Out of the other half, two-thirds will -
utilized for granting loans to the abovesaid deposit-holders
thout any interest repayable in 100 monthly instalments of --
ı.10/- each per Rs.1,000/- and the remaining one-third plus --
e amount of instalments to be recovered from the loan recipi-
ts plus admission and other fees less all the working expenses
the Association will be the net profit of the Association ---
ery year. Out of this net profit, 50% will be distributed --
ong these Bondholders who will not have received loans while -
e remaining 50% will be utilized for payment of dividends to the ---
Shareholders, creating Reserve Fund and profits to Directors.

According to our rules, as soon as there will be 2,000 Bondholders throughout India, Burmah and Ceylon, a Poor House - will be started at Mysore and as soon as there will be 2,000 -- Bondholders in any Province, District or principal town, a Poor House will be immediately started therein. Because, if there will be 2,000 Bondholders in a particular locality, the Associ-
ation

Association will have collected Rs.1,00,000 from these persons and gets Rs.6,000 interest by investing the said Rs.1,00,000 - either in the Government or in the Government Securities at an average rate of interest of 6% per annum. As 50% of interest that accrues on the Bondholders' money, is to be exclusively - utilized for maintaining Poor Houses, 50% of Rs.6,000 interest i.e., Rs.3,000 can be utilized for maintaining the Poor House to be started in that locality. As this Rs.3,000 works out - at Rs.250/- per month, 50 sickly and disabled persons at least can be fed in the said Poor House every day. Out of the remaining Rs.3,000 interest, two loans of Rs.1,000/- each amounting to Rs.2,000/- will be granted to two Bondholders every year as determined in the drawings to be held in that locality itself. Of course, the balance Rs.1,000/- interest, plus the amount of - instalments to be recovered from the loan recipients, plus ----- admission etc., fees less the working expenses will be the net - profit of the Association and this net profit will be utilized - as abovesaid. It is needless to say that when the people of a particular locality see that the charity is done in their very -- presence and some of them alone get loans on their personal Security without any interest, they of their own accord will come -- forward and contribute to the fund of the Association. When -- the number of Bondholders increases, the interest that accrues - on the Bondholders' fund will necessarily increase and the number of persons to be fed in the Poor House to be started in that ---- locality will be proportionately more. As it is not a difficult - thing to secure 2,000 Bondholders in a principal town and the --- Association will have organized Provincial, District and Local - Agencies throughout India, Burmah and Ceylon, we are confident - that the Poor Houses will have been started in all the principal towns throughout the abovesaid places in course of a few years. -

The only legal and moral objections that can be raised are that our scheme amounts to a lottery in as much as the loans

loans are granted by means of drawings and those Bondholders who get loans earlier are benefitted more than those who get later - as the latter are to wait even for hundreds of years. In the - first place, mere holding a drawing does not make our scheme a - lottery according to Section 294 (a) of the I.P.C. as we hold -- drawings only for the grant of loans but not for any distribu--- tion of prizes. Supposing we do away with the drawing, the --- Position as regards the grant of loans will not be bettered in - the least while on the other hand not only it would be very difficult ~~to~~ for the Directors to determine the names of the persons to whom the loans are to be granted as the number of loans to be granted - every year will be limited and all the Bondholders will be equally anxious to get the loans simultaneously but also the honesty of -- the Directors will be suspected and they will be ~~abused~~ accused of favouratism or partiality. You will therefore see that the object of - holding the drawings is to determine the names of the persons to - whom the loans are to be granted in order to save the Directors -- from unpleasantness and critisism as abovesaid but not to benefit a few and make many lose which is the jist of the offence owing to the fact that Bondholders who get loans once will not be entitled to get loans again as per rules and consequently all the Bondholders will be entitled to loans in their turn one year or another as determined in the drawings. Even this (to benefit a few and make many loose) is overlooked in case of Companies started for mutual benefit. For instance, in an Insurance Company ~~of~~ the heirs of the -- Policyholders who die earlier will be gainers whereas those Policy holders who survive the period will be losers as the interest ---- earned by the Company on the premium amounts ~~made~~ paid by the latter -- will make up the bonus amounts payable to the former. From this, it is clear that our scheme does not at all come under the catagory of a lottery as not only the benefit is mutual but also there will be none who will be losers in any way. Even from the moral point of view nothing can be said against our scheme. Because, 50% of the net profits of the Association will be distributed only among

among those Bondholders who will not have received loans and -- consequently the Bondholders who will have got loans will not be entitled to any profits. So, the Bondholders of the Association will have alternate benefits of either getting loans without any interest or having profits.

From the above, you will see that our scheme is free --- from all sorts of objectionable features and it is also practi-- cally workable as the amount to be contributed by each person is within the reach of both the poor and the middle class people. - As the Association will have solved the begger problem which the Government had to solve, the Government cannot but consider that the Association is worth patronizing and deserves every possible help the Government can render. We know that the Government -- are receiving Charitable Endowments as permanent deposit at a -- fixed rate of interest. When our Association is a charitable concern, there can be no difficulty for the Government to accept our funds perpetually as permanent deposit. Of course, we know that the Government are not allowing 6% interest per annum on -- the Charitable Endowments but as the work undertaken by the ---- Association is that which ought to have been undertaken by the - Government, the Government can allow 6% interest on the funds of the Association as a special case. If the Government cannot -- find its way to accept our funds as permanent deposit at 6% or any lower rate they may be pleased to allow, there can be no --- difficulty to appoint an Official Trustee at the cost of the --- Association to hold the Government Securities of the Association for safe custody in consideration of our Association being a--- charitable concern at least, when the Government of Bombay have appointed an Official Trustee for holding the Government Securi- ties of the Oriental Life Assurance Co., Ltd., in safe custody - though the same is not a charitable concern. As regards the -- appointment of the Bondholders' Representative and an Auditor by the Government, a separate application will be made soon after - there will be 2,000 Bondholders as per our rules.

So, in kind and generous consideration of the facts submitted above, we beg to request most humbly and respectfully - that the Government may be graciously pleased not only to order the Registrar to issue the Business Commencement Certificate -- immediately but also to accept our funds perpetually as permanent deposit at the highest possible rate of interest or ------ appoint an Official Trustee for holding the Government Securities (in which the funds of the Association will be invested) - in safe custody. In the meanwhile, the Government may kindly cause the Press Communique issued by the Publicity Officer withdrawn or the enclosed rejoinder published in the Government --- Publicity Journal free of charge.

Soliciting an early and favourable reply and thanking you in anticipation,

We have the honour to be,
Sir,
Your most obedient servants,
For The All-India Mutual Aid & Poor Houses Association Ltd

M. K. Nayanna

*Chief Organizer.*

॥ AUM ॥

No. 433.

(True Copy)

# CERTIFICATE OF INCORPORATION.

I hereby Certify that the All-India Mutual Aid and Poor Houses Association Limited, is this day incorporated under the Mysore Companies Regulation, VIII of 1917, and that the Company is Limited.

Fee Paid Rupees One Hundred and Thirty-nine only.

Give under my hand at Bangalore this Eighth day of July One Thousand Nine Hundred and Twenty-six.

Seal of the Registrar of Companies, Mysore.

B. RAMASWAMIYA,
Registrar of Joint Stock Companies in Mysore.

AIII.

Copy of letter No.870 dated 9th November 1926 from the Registrar of Joint Stock Companies in Mysore, Bangalore, addressed to the Chief Organizer, All-India Mutual Aid and Poor Houses Association Ltd., Mysore.

---

With reference to his letter dated 6th November 1926, the Chief Organizer of the All-India Mutual Aid and Poor --- Houses Association Ltd., is informed that the question of -- filing the prospectuses under reference is receiving attention and the receipt of intimation, from this Office, of such ----- filing should be awaited.

For The All-India Mutual Aid & Poor Houses Association Ltd.

25 FEB 1927 M. K. Nagannut

*Chief Organizer.*

AUM.

Proceedings of the Meeting of the Managing Committee of Directors of the All-India Mutual Aid & Poor Houses Association Ltd., Mysore, held on 6th November 1926 at 3 P.M. in the Registered Office of the Association at Mysore.

---

x x x x

(2) Read the correspondence ending with the Chief Organizer's letter of date addressed to the Registrar of Joint Stock Companies in Mysore, Bangalore, regarding the filing of the prospectus of the Association.

Resolved unanimously that the Secretary of the Association do not wait for the intimation from the Registrar for his having filed the prospectus of the Association, but do issue the amended copies of the prospectus to the public from this day forwards owing to the fact that not only the said amended copies of the prospectus have been finally filed with the Registrar on the 1st of this month alone after being amended strictly in accordance with the Law and also the instructions of the Registrar, but also the Company Law requires every new Association or Company only to file the prospectus on or before the date of its publication but not to wait for any acknowledgment (of the receipt of the said prospectus) or intimation (for the said prospectus having been filed) from the Registrar for issuing the same to the public as provided in Section ~~xxxxx~~ 92 of the Mysore Companies Regulation VIII of 1917.

x x x -

"True copy"

For The All-India Mutual Aid & Poor Houses Association Ltd.

M. K. Rapannah

25 FEB 1927 Chief Organizer.

Copy of letter No.921 dated 3rd December 1926 from the Registrar of Joint Stock Companies in Mysore, Bangalore, addressed to the Chief Organizer, The All-India Mutual Aid & Poor Houses Association Ltd., Mysore.

With reference to his letter No.1759 dated 30th November 1926 forwarding with a Court Fee Stamp for Rs.6/- a Return of allotments made on 6th November 1926 and a Declaration ---- before commencing business, the Chief Organizer of the All-India Mutual Aid & Poor Houses Association Ltd., is referred to this Office Memo No.870 dated 9th November 1926, and he is informed - that no action can be taken by this Office in the matter of his present application until the question relating to the filing -- of the prospectus is decided by this Office.

For The All-India Mutual Aid & Poor Houses Association Ltd.

25 FEB 1927 M. K. Thayannah

Chief Organizer.

Copy of letter No.1805 dated 6/8th December 1926 from the Chief Organizer, All-India Mutual Aid & Poor Houses Association Ltd., Mysore, addressed to the Registrar of Joint Stock Companies in Mysore. Bangalore.

Your kind letter No.821 D/- 3rd inst.

In reply, we beg to inform you that the Directors of the Association believe that in all matters connected with the Registration, Formation and Promotion of Joint Stock Companies in Mysore both the Registrar and the said Companies are to be guided by the Mysore Companies Regulation and the provisions thereof are to be strictly complied with as they are mandatory but not discretionary. So, as mentioned in our previous letter, you could not but file the ~~Prospectus~~ copies of our prospectus and also issue the Business Commencement Certificate in compliance with Sections 92 and 103 (2) of the Mysore Companies Regulation No.VIII of 1917 as we have complied with all the provisions mentioned in Sections 93 and 103 (1) of the said Regulation respectively. The Directors are therefore at a loss to understand how the filing of the prospectus could be deferred and the issue of the Business Commencement Certificate delayed on that ground in the absence of any provision in the Mysore Companies Regulation to show that the filing of the prospectus is at the discretion of the Registrar though it is strictly in accordance with Law.

So, the Directors consider that there is nothing more to be complied with by us according to Law and there can be nothing in the way for the issue of the Business Commencement Certificate. But, if you think that there is still something to be complied with according to Law, we will do the same immediately on hearing from you. In case you consider that there is anything which is morally objectionable, we will be the first persons to rectify ourselves at once. If on the other hand, it is the desire of yourself or of the Government that our Association should be closed whether there is any legal or moral defect or not, the Directors will be very glad to advise the Shareholders to do so without any delay as no indigenous concern can thrive without the sympathy and moral support of the Local Government. In case you do not give any heed to our reasonable requests and thereby do not issue the Business Commencement Certificate or to give us a satisfactory reply, the Directors will have no other alternative than to place the matter before the Shareholders in their Meeting to be held on the 16th instant to do what they think best in the existing circumstances as the delay in the issue of the Business Commencement Certificate for an indefinite length of time will be detrimental to the interest of the Association owing to the fact that the Association will have to meet the Establishment charges unnecessarily for no business whatsoever. Anyhow, we trust that you will kindly reconsider over the matter and do justice and justice alone.

Begging to be kindly excused for the trouble and thanking you in anticipation,

For The All-India Mutual Aid & Poor Houses Association Ltd.

25 FEB 1927

M. L. Nagannah

Chief Organizer.

rom Mysore Patriot. Reply to the Gov

# ALL-INDIA MUTUAL AID AND POOR HOUSES ASSOCIATION, LIMITED.

Regd. Office: MYSORE, (S. India)

(A provisional notice)

With reference to the Press Commu- ue issued by the Publicity Officer to Government of Mysore concerning provisions made by the above said ociation in its Memorandum and icles of Association etc., for guarding the interests of its stituents, it is most regrettable to erve that the Government are wrong aying that the Statements (regard- the perpetual investment of its fun n the Government, the appointment in Official Trustee to hold its Securi in safe custody and the appoint- nt of a Bondholders' Representative an Auditor by the Government to ch the interests of its constituents) le in the abovesaid documents of Association are unwarranted, for reason that the Memorandum and icles of Association as also the pros tus could not but contain all the essary provisions which are to be n effect to after the commencement he business of the Association as Companies Regulation, nor are (the Government) justified in de- ng the matter and issuing the abo aid Press Communique detrimental he interests of the Association, with any application being made by the ociation or its objections or explana is being taken, for the reason that only all the abovesaid provisions worth welcoming by a Government consider it to be their duty to guard the interests of their people far as possible but also the Memo- dum, Articles and the prospectus he Association in which the said visions are contained, have been ended strictly in accordance with and the instructions of the Regis- of Joint Stock Companies in My- , Bangalore, after his perfect tiny,

is disclosed by the said Memoran- and Articles of Association as by the prospectus, the main object he Association is to start Poor ses in all the principal towns thro- out, India, Burmah and Ceylon for ing the disabled and nursing the ering poor and the scheme devised the Association for fulfilling its cts has been based on the soundest sible principles without there being olutely no risk or speculation what- er. Notwithstanding this, it is a that not only the Government d not be proud of such an Institu- as this in their State and render same all possible help in consider- ation of the Association being the first of its kind either in India or elsewhere and bound to relieve the distress of the suffering humanity as a whole, but also they (the Government) could not realise that the provisions referred to above are not in any way to the advantage of the promoters of the Association but are made for ensuring the safety of the public at large and the perpetual run ning of the Institution. Moreover, the Government would have been justified in issuing their communique if the above-said provisions had been made in the documents above referred to only for giving false impression to the public but not to give them effect to practically.

Further, either in the Memorandum or in the Articles of Association upon which the prospectus of the Association is based, it is not stated that all our funds will be invested only in the Government of Mysore but it is clearly stated therein that the funds of the Association are to be invested in the Government of Mysore or in any Indian or Foreign Government. Moreover, as provided in Article 96 of the Arti cles of Association, the funds to be collected by the Association in a particular Province will have to be invested in that Provincial Government itself. As provided in Article 93, in case any Provincial Government cannot accept our funds as permanent deposit, the funds will be invested in the Seeurities guaranteed by the said Government in preference and the said Government Securities will be held by an Official Trustee to be appointed by the said Government itself. In the places where the Govt. cannot accept our funds as permanent deposit or appoint an Official Trustee, the funds of that province will be invested in the Securities guaranteed by that Government in preference and the said Securities will be kept with the Bankers of the Association in that Province for safe custody as provided in Article 94 of the Articles of Association.

So, it is needless to impress upon the minds of the public that the Mysore Goverument is not the only Government upon which the Association entirely depends for the investment of its funds or for the appointment of an Official Trustee but there are many other Governments both Indian and Foreign for the said purpose and as such the disinclination of the Mysore Government to accept our funds as permanent deposit or to appoi Official Trustee, will not preven Association from investing its fu the Securities guaranteed by the vernment of Mysore as also by Go ernments or having the said rities held by an Official T appointed by any Indian or F Government. The public should fore please note that the funds o Association will be invariably in in any other Government or G ments or in the Securities guarant the said Governments entirely permanently and the Securities held by the Association will be with its Bankers for safe custody an Official Trustee or Trustee appointed by any other Governm Governments for holding the Securities in safe custody.

Generally, in all Joint Stock C nies. the Directors and Auditors elected only by the Shareholder in this Association in order to saf the interests of the Bondhol provision has been made for t pointment of a Bondholders' Re tative and an Auditor by eith Government of Mysore or that o In case the Government of My not inclined to appoint them, the ciation will apply to the Governm India for the said appointment after there will be 2,000 Bond as per rules. If even the Gove of India cannot find its way to the said appointments, the Bond alone will be authorised to ma said appointments themselves.

In conclusion, the public are ted to specially note that the pro of the Association are men who in the existance of God and also practically realized that Honest Truth will always triumph over or later and consequently the abo provisions have been made w object of making the Association lasting one but not for defraudin body. It is therefore hoped t the light of the above explanatio Government will be pleased to re der the matter and give this indig concern their moral support wh richly deserves, in the interest o suffering humanity at least.

For the All-India Mutual A Poor Houses Association

Mysore M. L. NAGANNA

14 Feb 1927 Chief Orga

A copy of this Prospectus has been filed with the Registrar of Joint-Stock Companies in Mysore, Bangalore.

# ALL-INDIA MUTUAL AID & POOR HOUSES ASSOCIATION. LTD.. MYSORE.

## SHARE & DEBENTURE PROSPECTUS.

**AUTHORIZED CAPITAL** — **RS. 1,00,000.**

Divided into 2,000 shares of Rs. 50 each and issued at a premium of Rs. 2-8-0 per share. The share and premium amounts are payable as follows:—

Rs. 5-0-0 Rs. (2-8-0 premium and Rs. 2-8-0 share amount) ... on Application.
,, 2-8-0 ... ... ... on Allotment.
,, 45-0-0 by 9 quarterly instalments of Rs. 5 each from the date of allotment.

,, 52-8-0 Total.

**EACH SERIES CONTAINS** — **1.00.000 BONDS.**

The amount of each bond is Rs. 50 and Rs. 2-8-0 extra is payable for each bond towards admission and stamp fees. The bond amount and admission etc., fees are payable either in a lumpsum with the application or by instalments as follows :—

Rs. 2-8-0 (Rs. 2/- towards admission fee and As. 8/- towards stamp fee) ... with application.
,, 50-0-0 by 50 monthly instalments of Re 1/- each together with the interest of As. 4/- per bond per month until the payment of bond amount is completed.

,, 52-8-0 Total

**DIRECTORS :**

1. Dr. A. J. Ram, L. M. & S.. M. D. (E.H.), Physician and Surgeon, *Sayyaji Rao Road, Mysore.*
2. Mr. T. S. Narasimhaswamy, Electrician and General Contractor, *Kotwal Ramaiya's Street, Mysore.*
3. ,, P. Subbaraya Sastry, M.A., Principal, Champion Metropolitan College, *Yelwal Road, Mysore*
4. ,, M. L. Nagannah, Founder and Retired Managing Director, Asiatic Govt. Security Life Assurance Co., Ltd., *Old Agrahar, Mysore.*

**BANKERS :**

The Indian Bank Ltd., Madras.

---

**CHIEF ORGANIZER :**

Mr. M. L. Nagannah.

**SECRETARY :**

Mr. K. R. Nagappa, *Bhakti Vilas, Mysore.*

**AUDITOR :**

Mr. G. V. Iswaraiah, G.D.A.,
*Certified by the Government of Mysore.*

**REGISTERED OFFICE :**

Building No. 368, Bazaar Street,

# OBJECTS OF THE ASSOCIATION.

## INTRODUCTION.

It is a matter of common experience that, although everyone makes all possible efforts to secure happiness, only those who have worshipped God in their previous births are blessed with it. As, for instance, though there are many who have obtained Degrees in Law, Medicine or other subjects with equal rank, it is only a few that are happy in acquiring wealth either by holding high appointments or by becoming leading Practitioners, while others find it difficult even to eke out their livelihood. It is thus clear that even though our efforts in this birth are equal and earnest, yet the result in each case is different according to the nature of worship of God in our past births. Nay, it is the experience of many of us that anyone destined to suffer great misery in this birth as the result of sins committed by him in his past ones can have such suffering lessened in proportion to his sincerity in the worship of God now and can finally attain happiness by the grace of God. So, it is beyond doubt that those who worship God and win His Grace attain happiness unmixed with misery both in this world and in the other. The worship of God is of two sorts. One is to regard some image as God and pay it all kinds of divine honours. This form of worship is known as IMAGE WORSHIP or worship of God in His STABLE FORM. The other is to please Him by alleviating the distress of the poor and the helpless by giving them food and medicine. This is said to be the worship of God in His MOVING FORM. As the latter is more pleasing to God than the former, those who follow this form gain the full grace of God much sooner and much more easily than by mere image worship.

Hence, those who have realized that this world (comprising both animate and inanimate objects) is the manifestation of God and devote themselves to the alleviation of the miseries of such poor and helpless persons as are afflicted by hunger or disease, become the real worshippers of God and thereby derive happiness both in this and in the other worlds by the grace of God. Though many know this fact, yet the poor for want of money and the rich on account of their desire to amass wealth do not generally perform this superior form of worship. Even those well-to-do people who are eager to gain the favour of God may carry out this kind of worship only during their life-time but not after, as it is not easy for them to arrange for this form of worship for ever, that is, even after they leave this world. Since the duration of happiness that those people can enjoy in the world to come is in proportion to the nature of their worship in this world, they have to be born again soon after their time of enjoyment there is over. Therefore, those who arrange for this superior form of worship here perpetually will enjoy continued happiness in the other world, and will not have to come back to this world as the fruits of the worship here will be going to benefit them even when they are in the other world. Consequently, their stay in the other world will be extended. So, those that arrange for the worship, however trivial it may be, to continue for ever will attain heaven and, after enjoying all possible happiness there for a long time, finally attain the highest stage. As, for instance, a mango seed, though small in form, grows into a big tree and yields a good number of fruits for a long time, so also the charitable deeds that we do in this world, however trifling they may be, bring about the greatest happiness for a long duration in the next world.

Keeping the abovementioned facts in view, the "All-India Mutual Aid and Poor Houses Association, Limited" has devised a new scheme (as detailed below) and aims, on the one hand, at enabling even the poorest to perform the abovesaid superior form of worship of God both during and after their life-time—nay as long as the world will be in existence—by paying a paltry sum and thereby win the full grace of God, and, on the other hand, at alleviating the distress of the suffering humanity by starting charitable institutions (comprising Poor Houses and Hospitals for feeding the disabled and nursing the suffering who are poor and helpless) in every principal town throughout India, Burmah and Ceylon, as mentioned in the Memorandum of Association, a copy of which is hereto attached.

### Explanation of the Scheme.

Anyone who wishes to have the benefit of the abovesaid scheme can get a bond from the Association without any restriction of caste, creed, religion, sex or age on payment of Rs. 50 either in a lump sum or by 50 monthly instalments of Re. 1 each. The crores of Rupees that will be collected from lakhs of bondholders who may join the Association from all parts of India, Burmah and Ceylon will be entirely and permanently invested in the Governments of Mysore and India and half of the interest which will be got on this investment will be utilized for maintaining the Charitable Institutions to be started by the Association as abovementioned in every principal town in the abovesaid countries. If there should be any surplus out of the abovesaid interest after meeting the expenses of the Charitable Institutions of the Association, such amount will be utilized for aiding Educational, Medical, Religious and such other Charitable Institutions started for the good of the public in those

If any of the bondholders does not pay his monthly instalment and interest within the month for which the same fall due, his bond will lapse and the amounts paid thereon till then will be forfeited to the Association in case he does not get the bond revived within 3 months from the date of default, on payment of all arrears with a penalty of one anna per rupee per month.

If the name of any partly paid-up bondholder is drawn, the balance amount due on his bond will be deducted out of the loan amount to be paid to him. The principal amount of bond will not be refunded until the bond is drawn but the same will be allowed to be adjusted out of the last instalments payable by the holder of the said bond on account of the loan advanced to him.

The Association has made a provision in its Articles for the issue of separate series of bonds of any denomination to any community so that 50% of the interest accruable on the amount of bonds to be collected from the respective community people may be utilized for maintaining Charitable Institutions to be started for the Moral, Spiritual and Educational uplift of the said community people. For the present, one series of bonds will be issued by the Association exclusively to the Veerashiva community people for aiding the Educational Institutions and Students' Homes to be started by His Holiness Sri Jagadguru Sivananda Rajendra Sivacharya Mahaswami of Rambhapuri. The question of issuing separate series to other communities will be considered on application.

Out of the remaining half of the interest, two-thirds will be utilized in granting loans from Rs. 1,000 to Rs. 5,000 (repayable, in one hundred monthly instalments of Rs. 10 each per every Rs. 1,000) to one hundred persons out of one lakh bondholders every year (as determined in the drawings) on their personal security without any interest. The balance one-third *plus* the amount of instalments to be recovered from the bondholders to whom the loans will be granted *plus* admission, etc., fees to be recovered from the new bondholders, *less* all the working expenses of the Association will be the net profit. Out of this net profit a portion will be set apart for payment of dividends to the shareholders and the balance will form the Reserve Fund. The Reserve Fund that will thus accumulate every year in this way will be utilized in constructing buildings for the Head Office, Chief Agencies or Branch Offices and Charitable Institutions of the Association.

## Example.

**Appropriation of interest accrued on bond amounts for maintaining Charitable Institutions and granting loans to bondholders.**

As the number of bonds to be issued by the Association is unlimited, they will be issued in several series, each series consisting of one lakh bonds. Supposing there will be one lakh bondholders in any calendar year qualified for drawing in any particular series, these one lakh bondholders will have paid to the Association Rs. 50,00,000 at Rs. 50 each. As this amount will be entirely invested in the Government, the Association gets three lakhs of rupees interest at least from the Government at 6 per cent per annum on the same. Out of this three lakhs of rupees, half the amount, *i.e.*, one lakh and a half, will be utilized for maintaining Charitable Institutions of the Association. As the names of one hundred persons per every lakh bondholders are to be drawn in the drawings every year, one hundred names will be drawn in the abovesaid calendar year. Out of those whose names are drawn like this, the first-drawn bondholder gets Rs. 5,000, the second-drawn bondholder gets Rs. 2,000 and the remaining 98 drawn bondholders get Rs. 98,000 at Rs. 1,000 each, amounting in all to Rs. 1,05,000 **as loans without any interest, on their personal security.**

**Net profit of the Association.**

Rs. 45,000 being the surplus amount of interest of three lakhs of rupees after transferring Rs. 2,55,000 (1,50,000 and 1,05,000) for maintaining Charitable Institutions and granting loans as abovesaid, *plus* the amount of instalments (at Rs. 10 per month per thousand) to be recovered from the drawn bondholders in the abovesaid calendar year on account of the loans granted to them every year, *plus* the amount of admission, etc., fees recoverable from the new bondholders that join the Association in the abovesaid year, *less* all the working expenses of the Association in the said year, will be the net profit of the Association for that year.

**Increase of net profit year by year.**

As determined in the drawings, a sum of Rs. 1,05,000 will be granted as loans to one hundred persons out of one lakh bondholders every year. During the year subsequent to that for which the first drawing is held, the Association will have collected Rs. 12,600 on account of the said loans. As another sum of Rs. 1,05,000 will be granted as per second drawing, the amount of instalments to be recovered during the next year will be Rs. 25,200. In the same way, as the drawings are held every year, the amount of instalments to be recovered from the bondholders will increase every year by Rs. 12,600, so much so that the amount of instalments to be recovered from them in the 8th year and onwards would be Rs. 1,00,000 and odd as the total amount of loans granted up to then would be Rs. 8,40,000. As the instalments to be recovered thus will be the income of the Association, the profits of the Association will necessarily increase proportionate to the increase in the collection of the amounts of instalments. When the amount of instalments to be recovered per each series would be Rs. 1,00,000 and odd, the total collection of instalments would be as many lakhs as there will be series. So, the net profit of the Association will accumulate to lakhs of rupees every year as there will be many lakhs of bondholders as the years pass on.

**Dividends to shareholders and accumulation of Reserve Fund.**

Out of lakhs of rupees net profit to be made by the Association every year as abovestated, a portion will be set apart for payment of dividends to the shareholders and the balance will be utilized for payment of profits to the Bondholders and Directorsas also for creating the Reserve Fund of the Association.

---

N.B.—Only for the facility of calculation, the number of one lakh bondholders has been given in the abovesaid example and so, as mentioned hereinafter, it is not necessary that one lakh bondholders should be secured either for holding the drawings or for starting Charitable Institutions. For, as soon as there will be 1,000 bondholders, the drawings will begin to be held and as soon as there will be 2,000 bondholders, the Charitable Institutions will begin to be started by the Association.

## Other Special Features.

**Qualification of bondholders for drawings.**

Those bondholders who will have completed the payment of their full bond amounts before the beginning of a calendar year, and also those that will not have fully paid up their bond amounts but will have paid all their monthly instalments without anything in arrears during that calendar year together with interest at As. 4 per bond per month will be qualified to have their names included in the drawing of the said calendar year.

**Holding of separate drawings in different places.**

If the number of bondholders qualified for the drawing will be not less than 1,000 in any province, district, taluk or principal town, a separate drawing will be allowed to be held in that province, district, taluk or principal town as the case may be and the number of loans to be granted will be proportionate to the number of bondholders in the said localities.

**Starting of Charitable Institutions at Mysore and othe places.**

As soon as there will be 2,000 fully paid-up bondholders in the Association, a Charitable Institution (comprising a Poor House and a Hospital) will be started at Mysore and similar institutions will be started in every province, district, taluk and principal town as soon as there will be 2,000 fully paid-up bondholders.

IN PLACES WHERE IT WILL BE FOUND CONVENIENT TO FEED THE DISABLED AND OLD CATTLE AND OTHER DOMESTIC ANIMALS, A CATTLE SHED OR PINJARAPOLE WILL BE ATTACHED TO THE POOR HOUSES TO BE STARTED IN THE SAID PLACES.

**Non-inclusion of drawn bonds in the subsequent drawings and derivation of benefits of each bond separately.**

As the names of the bondholders drawn in a drawing will not be included in the subsequent ones, all the bondholders or their heirs are sure to get loans one year or another according to their turn. Any person may take up any number of bonds and those that take up more bonds than one will be entitled to the benefits of each bond separately. That is, if a person takes up ten bonds in his name and if he gets a loan in respect of one of the bonds having been drawn in any year, only the said bond which is drawn will not be included in the subsequent drawings but the same bondholder will be getting loans again and again in respect of each of the remaining nine bonds in each of the years in which they will be drawn. Nay, if by chance all his ten bonds are drawn in any one year, he will get loans simultaneously in respect of all the bonds.

**The Association not incurring loss even if any loans are found to be irrecoverable.**

In case any of the persons that are granted loans happen to be poor and the loan amount is found irrecoverable from them in spite of the Association taking necessary legal steps, it will be no loss to the Association as the loan amounts will not be paid out of the principal amount but will be paid only out of a portion of interest to be got by the Association. Moreover, as the bondholders comprise of both the rich and the poor, the chances go to them both. If the chances go to the rich, there will be certainty of the return of the loan amounts and, if the chances go to the poor and any of the loans granted to them is found to be irrecoverable, the Association would be benefiting the poor.

## Important Privileges and Benefits to the Bondholders of the Association.

**Bond amount smallest and the payment easiest.**

The amount of Rs. 50 payable for each bond by the bondholders is so small and the payment is so easy that it will not be felt by either the poor or the rich as it may be paid by **50 monthly instalments** of Re. 1 each.

**Absolute security.**

As provided in the Memorandum and Articles of Association, the principal bond amount to be collected from the bondholders will be **entirely and permanently invested in the Government or in the Government securities** and the said securities will be held for safe custody by an **Official Trustee appointed by either the Government of Mysore or that of India.**

Regarding the appointment of a Bond-holders' Representative and an Auditor by the Government, please *vide* 49 and 71 Articles of Association annexed hereto.

**Perpetuity of the Charitable Institutions and the bondholders partaking the benefit of the charities done by the Association.**

As half of the interest that accrues on the principal bond amounts of the bondholders will be exclusively utilized in relieving the distrees of the poor and helpless and there is no better form of worship of God than this, **all the bondholders of the Association being the authors of this worship will win the full grace of God and enjoy eternal happiness in the other world as they will have arranged for this superior form of worship of God for ever and ever.** Since the Governments will last as long as the world will be in existence, the funds of the Association will be safe and will be securing interest regularly. Thus, the Association is bound to run the Charitable Institutions without any obstruction whatever **as long as the world exists.**

**Bondholders getting loans on personal security without interest.**

As explained hereinbefore, **the bondholders or their heirs are sure to get loans one year or another on their personal security alone without any interest from Rs. 1,000 to Rs. 5,000.** As the amount of instalments they pay every month on the loan amounts that they receive will be equal to 12 per cent interest per annum on the said loan amounts, **the bondholders will have the loan amounts for themselves after 100 months as they will have paid mere interest for that period at the abovesaid rate.**

**Bondholders not required to repay the loan amounts in case they utilize it for constructing buildings for Charitable Institutions.**

If any of the drawn bondholders do not want loans but are willing to utilize the said loan amounts for constructing the buildings of the Charitable Institutions of the Association, not only will they not be required to repay anything to the Association on account of the said loan amounts, but they will also be entitled to the benefit of the charity done with the said loan amounts.

The non-drawn bondholders will be entitled to 50% of the profits of the Association and the said profit will be distributed once in every five years.

## Special Privileges and Benefits to the Shareholders of the Association.

**Object of the Capital of the Association.**

As the main object of the Association is to start Charitable Institutions and the said Institutions will be maintained only with the interest on the bondholders' amount without any necessity for the utilization of any other amount, this Association has been started with an authorized Capital of one lakh divided into 2,000 shares of Rs. 50 each in order to satisfy the requirements of the Law.

**Directors' previous permission necessary for applications for more than 10 shares.**

As it is the object of the Directors to make the extraordinary benefits of the shares of the Association available for as many persons as possible, **no applications will be received for more than 10 shares from an individual person.** In case there will be any who wish to apply for more than 10 shares, they should obtain previous permission from the Directors before making any application.

As the shares of the Association are sold at a premium of Rs. 2-8-0 per share, the intending shareholders shall pay Rs. 2-8-0 being the said premium amount as also Rs. 2-8-0 towards part payment of the share amount, *i.e.*, **Rs. 5 per share with the application.** After the shares are allotted, the shareholders shall pay immediately Rs. 2-8-0 per share and **the balance Rs. 45 per share by nine quarterly instalments of Rs. 5 each** from the date of allotment.

**Easy payment of the share amount.**

As the paid-up capital of the Association is not required for any other purpose as mentioned above, the whole paid-up capital will be utilized in purchasing bonds of the Association itself and the bonds thus purchased will be allotted to the shareholders at one bond per every share held by them on payment of Rs. 2-8-0 per bond towards admission fee and cost of bond and so **the whole paid-up capital will become bond amount and the same will, therefore, be entirely and permanently invested safely in the Government** just like the amounts of bondholders.

**Investment of shareholders' money and allotment of bonds to shareholders.**

As the shareholders get bonds, they will be entitled to all the privileges and benefits the bondholders are entitled to as mentioned hereinbefore. In addition to this, the shareholders will not only be entitled to the dividends to be declared out of the profits which the Association earns every year but they may also, in course of a few years, expect **cent per cent dividends on their share amounts** as the Association is sure to make **lakhs of rupees profit** as explained hereinbefore as against a paid-up capital of only one lakh of rupees.

**Shareholders entitled to the profits of the Association as well as to the benefits of the bonds.**

**Until 2,000 shares of the Association are disposed of, the applicants can become the holders of both a share and a bond for each Rs. 50 they pay and thereby they will be entitled to double benefits.**

**Necessity for immediate application for shares.**

After 2,000 shares are disposed of, applications for bonds alone will be received and, therefore, the applicants will be entitled only to the benefits of a bond for every Rs. 50 they pay. So, it is necessary that those who wish to avail themselves of the abovesaid **extraordinary double benefits should send their applications** for the required number of shares **immediately** in the appended form together with a remittance of Rs. 5 per share **to avoid disappointment.**

## Directors' Qualification and their Remuneration.

Each Director of the Association shall hold 20 shares of the Association in his individual name. In case any of the Directors, not being residents of Mysore, attends the meetings of the Board or the Committee, he will be entitled to actual travelling expenses. Until the business of the Association is commenced, no Director will be entitled to any sitting fee for any meeting of the Board or the Committee attended by him. After the business is commenced and until the capital of the Association is fully subscribed, a sitting fee of Rs. 6-4-0 and Rs. 12-8-0 will be paid to each Director for every meeting of the Committee or Board attended by him respectively. After the capital of the Association

॥ ॐ ॥

## FORM OF APPLICATION FOR SHARES.

*No*..... *Influenced by*.....

| | |
|---|---|
| *Allotment No.* | |
| *Date of Allotment.* | |
| *No. of Shares Allotted.* | |
| *Share Nos.* | *to* |

To

**The Directors,**

**All-India Mutual Aid & Poor Houses Association, Ltd.,**

**MYSORE.**

*Gentlemen,*

Having paid the sum of Rs.....being the deposit of Rs. 5 (Rs. 2—8—0 towards premium and Rs. 2—8—0 towards share amount) per share on.....shares of Rs. 50 each in the above Association, I request that you will allot to me that number of shares. I hereby agree to accept the same or any less number that you may allot to me, upon the terms of the Prospectus dated 10th August 1926 and the Memorandum and Articles of Association, and I authorize you to place my name on the Register of Members in respect of the shares allotted to me. Further, I also agree to pay Rs. 2—8—0 per share on allotment and Rs. 45—0—0 per share by 9 quarterly instalments of Rs. 5 each from the date of allotment.

*Station*.....

*The*.....*192* .

**Usual Signature.**

.....

**Please write distinctly.**

*Name in full*.....

*Age*.....

*Profession or Business*.....

*Address (in full)*.....

*Post Office*.....

is fully subscribed, a sitting fee of Rs. 12-8-0 and Rs. 25 will be paid to each Director for every meeting of the Committee or Board attended by him respectively. Apart from this, all the Directors along with the Bondholders' Representative will be entitled to 10 per cent of the net profit of the Association every year and the said amount will be distributed among all of them equally. Except this, the Directors have no other interest in the Association nor is any promotion or other fee payable either to the Directors or anybody else.

## Minimum Subscription.

The minimum number of shares for which the Association should receive applications before the first allotment is made and the business of the Association is commenced, is 200 shares to the nominal value of Rs. 10,000.

## Commission on Shares.

A commission not exceeding 5 per cent on the nominal value of shares actually allotted will be paid by the Association. As the shares are sold at a premium of Rs. 2-8-0 per share, the commission payable to the agents will be met out of the said premium amounts alone and so, nothing will be paid out of the paid-up share amounts towards commission.

## Preliminary Expenses.

The preliminary expenses to be incurred by the Association are estimated to be Rs. 2,500. But as the Association gets Rs. 2-8-0 per share from the shareholders on account of bonds to be allotted to them, towards admission fee and cost of bond as mentioned hereinbefore and the said collection will amount to Rs. 5,000 (2,000 shares at Rs. 2-8-0 each) the preliminary expenses will be written off eventually out of the said amount.

## Agreement.

9 AUG 1926

An Agreement is entered into between the Association of the one part and Mr. M. L. Nagannah of the other part by which the said Mr. M. L. Nagannah will be the Chief Organizer of the Association for 25 years and thereafter on the terms and conditions mentioned in the draft Agreement annexed to the Articles of Association. The said ~~draft~~ Agreement as also the Articles of Association can be inspected by anybody at the Registered Office of the Association during office hours or a copy thereof can be obtained on payment of As. 8 only.

For further particulars, prospectuses and application forms, communications may be addressed to the Secretary of the Association at the Registered Office.

A. J. RAM,
M. L. NAGANNAH,
P. SUBBARAYA SHASTRY,
T. S. NARASIMHASWAMY,

*Dated* 12 JAN 1927

2148-26 The Bangalore Press.

# ARTICLES OF ASSOCIATION

RELATING TO THE

## Appointment of a Bond-holders' representative & an auditor by the Govt

49. As soon as there will be 2,000 fully paid-up bondholders, the Directors shall apply either to the Government of Mysore or that of India for the appointment of a Bondholders' Representative on the Board of Directors to watch the interests of the bondholders. The said appointment may be made by the Government once in every year or otherwise as they shall think fit. The Bond holders' Representative shall be entitled to the same privileges and remuneration as any other Director of the Association.

71. As soon as the Association secures 2,000 fully paid-up bondholders, the Directors shall apply to the Government of Mysore for the appointment of an auditor on behalf of the bondholders for auditing the accounts of the Association in addition to their being audited by the Auditor appointed by the Shareholders. If the Government appoints such an auditor, such remuneration as the Government direct, shall be paid to him by the Association.

FOM

# MEMORANDUM OF ASSOCIATION

OF

# All-India Mutual Aid & Poor Houses Association Ltd.

1 The name of the Association is the "All-India Mutual Aid and Poor Houses Association Limited"

2. The Registered Office of the Association will be situated in the State of Mysore.

3. The objects for which the Association is established are:—

(a) To establish Charitable Institutions in every principal town in India and also in any other part of the world for feeding the disabled and nourishing the suffering poor without any restriction of caste, creed or sex, and also for aiding Educational, Medical, Religious and other Institutions started for the good of the society.

(b) To carry on in India and in any other part of the world the business of raising funds by issuing at par or at a premium, bonds, debentures and debenture stock, perpetual or otherwise, with or without special privileges and also with or without a specific charge on all or any part of the property of the Association.

(c) To invest, perpetually or otherwise, the principal amount of bonds, debentures, and debenture stock, in the Government, Indian or Foreign, or in securities guaranteed by the said Government.

(d) To deposit, perpetually or otherwise, the Government securities held by the Association for safe custody with an Official Trustee or Trustees if any appointed by the Government or Governments, Indian or Foreign.

(e) To maintain and aid the abovesaid Charitable and other institutions with a portion of interest accrued on the funds invested as above in the Government or in the Government Securities.

(f) To grant loans, with or without interest or security to the holders of bonds, debentures or debenture stock, as determined by periodical drawings out of a portion of interest accrued on the abovesaid funds, and allow the repayment of the said loans by easy instalments.

(g) To utilize a portion of interest accrued on the abovesaid funds together with the amount of instalments repayable to the Association on account of loans granted to the bond and debenture holders and also admission, stamp and other fees payable by the holders of bonds, debenture and debenture stock, for meeting the working expenses of the Association, making provision for Reserve Fund and paying dividends to the Shareholders.

(h) To invest the paid-up capital and Reserve Fund in such securities as are determined from time to time by the Association in its General Meeting.

(i) To purchase, take or lease in exchange, or hire or otherwise acquire any estate, interest in any lands or buildings, leasements, rights, privileges, concessions and immoveable property of any tenure or kind

necessary or convenient for the business of the Association in any part of the world.

) To erect, construct, lay down, enlarge, alter and maintain buildings, works and Machinery, necessary or convenient for the business of the Association in any part of the world.

) To purchase or otherwise acquire the business and property of any person, firm or company carrying on any business which the Association is authorized to carry on and take over the property and liability of such person, firm or company on such terms as the Association may think fit

) To enter into partnership and into an arrangement for sharing profits, union of interest, co-operation and joint adventure, reciprocal concession or otherwise, with any person, firm or company carrying on or about to engage in, any business or transaction calculated to benefit this Association and to guarantee the contracts of or otherwise assist such person, firm or company.

m) To establish Provincial and Local Boards, Branches and Agencies in any part of the world and to discontinue the same.

n) To enter into and carry into effect an agreement with regard to management which has already been prepared and is expressed to be made between Mr. M. L Nagannah of the one part and the Association of the other part, and copy whereof is annexed hereto.

(o) To enter into agreements with the officers, agents and other employees of the Association on the terms and conditions as are determined by the Directors from time to time.

(p) To receive donations from the public at large and utilise for Charitable purposes.

(q) To act as Trustees for any Charitable Institution or Fund and do everything incidental and conducive to the promotion of the objects of the donors concerning the said Charitable Institution or Fund as the case may be.

(r) To do all such other things as are incidental or conducive to the attainment of all or any of the above objects.

The liability of the Shareholders is limited.

5. The capital of the Association is Rs 1,00,000 divided into 2000 shares of Rs. 50 each, with power to increase.

| Serial No. | Names, Descriptions and addresses of ~~Shareholders~~ Subscribers. | No. of shares taken. |
|---|---|---|
| 1. | M. S. Basavalingayya, B.A., B.L., Legal Practitioner, Old Agrahar, Mysore. | 20 |
| 2. | T. S. Narasimhaswamy, General Contractor and Electrician, 612, Kotwal Ramiah's Street, Mysore. | 20 |
| 3. | P. Subbaraya Sastry, M.A. etc., Principal, Champion Metropolitan College, Ilwal Road, Mysore. | 20 |
| 4. | Sirasi Gurushantha Sastry, Palace Asthan Vidwan, Old Agrahar, Mysore. | 20 |
| 5. | A. J. Ram, L.M. & S., M.D. (E.H.) Physician & Surgeon, Sayyaji Rao Road, Mysore. | 20 |
| 6. | K. Nagappa, Managing Proprietor of Messrs K. Nanjundappa & Sons, Old Thurgpet, Bangalore City. | 20 |
| 7. | M. L Nagannah, Founder & Retd. Managing Director, Asiatic Government Security Life Assurance Co Ltd., Old Agrahar, Mysore. | 20 |

MYSORE PRESS, MYSORE.

M.L.Nagannah
S.Narasimhaswamy

P.Subbaraya Sastry
K.Nagappa

A. L. R[illegible]

OM

# MEMORANDUM OF ASSOCIATION

OF

## I=India Mutual Aid & POOr Houses Association £

WITH

# ARTICLES OF ASSOCIATION

OM.

# INDEX


| | PAGE. |
|---|---|
| MEMORANDUM OF ASSOCIATION .... .... .... | i to iii |
| ARTICLES OF ASSOCIATION .... .... .... | 1 to 20 |
| I. Constitution of the Association .... .... | 1 |
| II. Preliminary .... .... .... | 1 |
| Schedule .... | 18 |


## ERRATA.

| Page | Line | *For* | *Read* |
|---|---|---|---|
| i | 25 | appointed | if any appointed |
| 15 | from below 4 | also may enjoy | may enjoy also |

*Note:*— In pages i, 1, 18 and 19, *for* 'All-India Co-operative and Charitable Association Ltd' *read* 'All-India Mutual Aid and Poor Houses Association Ltd'.

OM

# MEMORANDUM OF ASSOCIATION

OF

# All-India Mutual Aid & Poor Houses Association Ltd.

1 The name of the Association is the " All-India Co-operative and Charitable Association Limited. "

2. The Registered Office of the Association will be situated in the State of Mysore.

3. The objects for which the Association is established are:—

(a) To establish Charitable Institutions in every principal town in India and also in any other part of the world for feeding the disabled and nourishing the suffering poor without any restriction of caste, creed or sex, and also for aiding Educational, Medical, Religious and other Institutions started for the good of the society.

(b) To carry on in India and in any other part of the world the business of raising funds by issuing at par or at a premium, bonds, debentures and debenture stock, perpetual or otherwise, with or without special privileges and also with or without a specific charge on all or any part of the property of the Association.

(c) To invest, perpetually or otherwise, the principal amount of bonds, debentures and debenture stock, in the Government, Indian or Foreign, or in securities guaranteed by the said Government.

(d) To deposit, perpetually or otherwise, the Government securities held by the Association for safe custody with an Official Trustee or Trustees appointed by the Government or Governments, Indian or Foreign.

(e) To maintain and aid the abovesaid Charitable and other institutions with a portion of interest accrued on the funds invested as above in the Government or in the Government Securities.

(f) To grant loans, with or without interest or security to the holders of bonds, debentures or debenture stock, as determined by periodical drawings out of a portion of interest accrued on the abovesaid funds, and allow the repayment of the said loans by easy instalments.

(g To utilize a portion of interest accrued on the abovesaid funds together with the amount of instalments repayable to the Association on account of loans granted to the bond and debenture holders and also admission, stamp and other fees payable by the holders of bonds, debenture and debenture stock, for meeting the working expenses of the Association, making provision for Reserve Fund and paying dividends to the Shareholders.

(h) To invest the paid-up capital and Reserve Fund in such securities as are determined from time to time by the Association in its General Meeting.

(i) To purchase, take or lease in exchange, or hire or otherwise acquire any estate, interest in any lands or buildings, leasements, rights, privileges, concessions and immoveable property of any tenure or kind necessary or convenient for the business of the Association in any part of the world.

(j) To erect, construct, lay down, enlarge, alter and maintain buildings, works and machinery, necessary or convenient for the business of the Association in any part of the world.

(k) To purchase or otherwise acquire the business and property of any person, firm or company carrying on any business which the Association is authorized to carry on and take over the property and liability of such person, firm or company on such terms as the Association may think fit.

(l) To enter into partnership and into an arrangement for sharing profits, union of interest, co-operation and joint adventure, reciprocal concession or otherwise, with any person, firm or company carrying on or about to engage in, any business or transaction calculated to benefit this Association and to guarantee the contracts of or otherwise assist such person, firm or company.

(m) To establish Provincial and Local Boards, Branches and Agencies in any part of the world and to discontinue the same.

(n) To enter into and carry into effect an agreement with regard to management which has already been prepared and is expressed to be made between Mr. M. L. Nagannah of the one part and the Association of the other part, and copy whereof is annexed hereto.

(o) To enter into agreements with the officers, agents and other employees of the Association on the terms and conditions as are determined by the Directors from time to time.

(p) To receive donations from the public at large and utilise for Charitable purposes.

(q) To act as Trustees for any Charitable Institution or Fund and do everything incidental and conducive to the promotion of the objects of the donors concerning the said Charitable Institution or Fund as the case may be.

(r) To do all such other things as are incidental or conducive to the attainment of all or any of the above objects.

The liability of the Shareholders is limited.

The capital of the Association is Rs. 1,00,000 divided into 2000 shares of Rs. 50 each, with power to increase

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into an Association in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Association set opposite to our names.

| Serial No. | Names and descriptions of Subscribers. | Addresses of the Subscribers. | No. of shares taken | Nominal value of shares. | Names and addresses of witnesses. |
|---|---|---|---|---|---|
| 1 | M. S. Basavalingayya, B.A., B.L., Legal Practitioner | Old Agrahar, Mysore. | 20 | 1000 | K. R. Nagappa, 1, Bhaktivilas, Mysore. |
| 2 | T. S. Narasimhaswamy, General Contractor & Electrician. | 612, Kotwal Ramiah's Street, Mysore. | 20 | 1000 | H. S. Venkataramiah, 1, Bahktivilas, Mysore. |
| 3 | P. Subbaraya Sastry, M.A. etc., Principal, Champion Metropolitan College, Ilwal Road, Mysore. | 1938, Kotwal Ramiah's Street, Sivarampet, Mysore. | 20 | 1000 | K. R. Nagappa, 1, Bahktivilas, Mysore. |
| 4 | Sirasi Gurushanta Shastry, Palace Asthan Vidwan. | Old Agrahar, Mysore. | 20 | 1000 | do |
| 5 | A J Ram, L.M. & S, M.D. (E. H.) Physician and Surgeon. | Sayyaji Rao Road, Mysore. | 20 | 1000 | K. N. Mudaliar, Druggist, Sayyaji Rao Road, Mysore |
| 6 | K. Nagappa, Managing Proprietor of Messrs. K. Nanjundappa & Sons. | Old Thurgpet, Bangalore City. | 20 | 1000 | H. Rudrappa, Merchant, Moddagiri. Tumkur Dist. |
| 7 | M. L. Nagannah, Founder & Retd. Managing Director, Asiatic Goyernment Security Life Assurance Co. Ltd. | Old Agrahar, Mysore. | 20 | 1000 | K. R. Nagappa, 1, Bhaktivilas, Mysore. |
| | | TOTAL | 140 | 7000 | |

**Dated this 20th day of May 1926.**

AUM.

# All-India Mutual Aid & Poor Houses Association Limited.

## REGISTERED OFFICE: MYSORE (S. INDIA).

—:o:—

## NOTICE.

The under-noted Articles have been incorporated after sanction by the Shareholders of the Association in their Extra-ordinary General and Confirmatory Meetings held on 16th December 1926 and 7th January 1927 respectively. Out of the following Articles, Articles 17 (c), 58 (a), 66 (a) and 89 (a) have been freshly added to the existing Articles of Association whereas the other two Articles have been substituted for the existing Articles of the same numbers given to them.

*Dated 8—1—1927,*
*Mysore.*

K. R. Nagappa,
*Secretary.*

17. *(c)* 50% of the net profits of the Association shall be distributed among all the existing non-drawn Bondholders once in every five years proportionate to the period their bonds will have been in force during the said five years.

58. *(a)* The first members of the Managing Committee of Directors shall not be subject to any rotation just as other Directors but their Office as Directors shall be permanent unless they are disqualified to be Directors.

66 *(a)* The Directors may, if they deem it necessary, organize a Provincial Board in any Province and get the funds collected in that Province invested in the respective Provincial Government even before 2000 Bondholders are secured in the said Province. The Directors may, if they deem it necessary, organize a separate Provincial Board for a particular community and the funds relating to that community shall be invested in any Government the said Provincial Board recommends.

85. The surplus amount of interest on the Bondholders' Fund (after transferring the prescribed amount to the Drawing and Charity Funds as herein—before mentioned) every year plus the admission fees, cost of Bond and penalty payable by the Bondholders plus the amount of instalments to be recovered from the (drawn Bondholders) loan recipients less all the working expenses of the Association shall be the net profit of the Association. The surplus amount of this net profit after allocating the profits to the Bondholders and Directors as per Articles 17 (c) and 52 and dividends to the Shareholders shall form the Reserve Fund of the Association.

89. *(a)* In places where the Provincial Boards are organized, the accounts with the Banks in their respective Provinces shall be operated upon by means of cheques signed by the Chairman of the Provincial Board and countersigned by the Chief Organizer and the Chairman of the Board or the Managing Committee of Directors.

93. The Personal Investment Fund (that is, the principal amount of bonds to be collected from the Bondholders) shall be invested entirely in the Government of Mysore or in any Indian or Foreign Government as permanent deposit at a fixed rate of interest. Until the Government or Governments begin to accept the deposits, the Personal Investment Fund shall be invested entirely in the Securities guaranteed by any of the said Governments.

SRI VENKATESWARA PRESS, MYSORE.

OM

# ARTICLES OF ASSOCIATION

OF

# All-India Mutual Aid & Poor Houses Association Ltd.

## I. CONSTITUTION OF THE ASSOCIATION.

It is agreed as follows:—

Association to be governed by these Articles and also Table 'A'.

1. The Association is established with Limited Liability in accordance with, and subject to, the provisions of the Mysore Companies Regulation No. VIII of 1917. The Regulations for the management of the Association shall be such as are contained in the following Articles and also in the Table ' A ' of the First Schedule to the said Mysore Companies Regulation so far as they are not modified by the following Articles.

## II. PRELIMINARY.

Interpretation clause.

2. The marginal notes hereto shall not affect the construction hereof and in these presents unless repugnant to the context or subject, expressions defined below and also in the Mysore Companies Regulation No. VIII of 1917 shall have the meanings so defined; words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine also, and words importing persons shall include bodies corporate.

'The Association' or 'This Association'

" The Association " or " This Association " means ' All-India Co-operative and Charitable Association Ltd. " established under the Memorandum of Association to which these Articles are annexed.

These Presents or Regulations.

' These Presents ' or ' Regulations ' means and includes the Memorandum and these Articles of Association, and any modification or alteration thereof for the time being in force.

Shareholders or Members.

' Share-holders ' or ' Members ' means the duly registered holders from time to time of the Shares of the Association.

Directors.

' Directors ' means the Directors for the time being of the Association or the Directors assembled at a Board as the case may be.

Board.

' Board ' means a meeting of the Directors duly called and constituted.

Year.

' Year ' means calendar year.

Acts.

' Acts ' means the Mysore Companies Regulation No. VIII of 1917 and any statutory modification or alteration thereof for the time being in force.

## III. CAPITAL.

Amount of capital and minimum subscription.

3 The Capital of the Association, for the time being, shall be Rs. 1, 00, 000 divided into 2000 shares of Rs. 50 each and the minimum number of shares to be subscribed before the first allotment of shares and the commencement of the business of the Association shall be 200 shares of the nominal value of Rs. 10, 000.

Allotment of Shares.

4. The shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons, on such terms and conditions, and either at a premium or at par, and at such times, as the Directors think fit, and with full power to give to any person the call of any shares either at par or at premium, during such time, and for such concession as the Directors think fit.

Payment of Share Calls and sale of shares at a premium.

5. The Directors, unless they otherwise determine, shall, for the time being, call Rs. 50 fully per share and recover the same by instalments, that is, Rs. 2—8—0 with the application, Rs. 2—8—0 on allotment and the balance Rs. 45 by nine quarterly instalments of Rs. 5 each from the date of allotment; and the shares of the Association shall, unless otherwise determined by the Directors, be sold at a premium of Rs. 2-8-0 per share and the said premium shall be recovered with the application alone.

Commission for placing shares.

6. The Association may at any time pay a commission to any person for subscribing or agreeing to subscribe ( whether absolutely or conditionally ) for any shares in the Association, or for procuring or agreeing to procure subscriptions ( whether absolutely or conditionally ) for any shares in the Association, so that if the commission shall be paid or payable out of capital, the statutory requirements and conditions shall be observed and complied with and the commission thus payable shall not exceed 5 % on the nominal value of shares in each case subscribed or to be subscribed.

Forfeiture and revival of shares.

7. The Directors or any person authorized by them may forfeit any defaulting share or shares after giving thirty days' notice for the payment of allotment money or instalments due, and they or the said person may at any time before the said forfeited shares shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they or he thinks fit.

Issue of bonds to the shareholders and their participation in the Annual Drawings.

8. Every shareholder shall be entitled to a Personal Investment Bond of Rs 50 per each share he holds, on payment of Rs. 2-8-0 per bond towards admission fee and cost of bond, but he shall be eligible to participate in the Annual Drawings only after he completes the payment of his full share amount. If any Shareholder wishes to participate in the said Drawings before that, he shall be required to pay the Personal Investment Department As. 4 per bond per month towards interest from the beginning of the calendar year in which he gets the bond until the end of the month in which he completes the payment of his full share amount. But no shareholder shall be entitled to the refund of the amount of bond or bonds issued in his favour and he shall never cease to be a bondholder as well as a shareholder.

Copies of the Memorandum and Articles of Association.

9. Copies of the Memorandum and Articles of Association shall be furnished by the Directors to every shareholder at his request on payment of their price not exceeding Re. 1 per each copy.

## IV. BUSINESS.

Place of business.

10. The Head Office of the Association shall be in the City of Mysore and the business of the Association shall be carried on there and at such other place or places within and beyond the limits of India, Burmah and Ceylon as the Board may deem advisable.

Nature and conduct of business.

11. Although the main business of the Association for the time being shall be to raise funds by issuing bonds under the Personal Investment Scheme of the Association, and to maintain Charitable Institutions out of a portion of interest accruable on the said Personal Investment Funds as mentioned hereinafter, yet the business of the Association shall include everything within the scope of the Memorandum of Association. Such business shall be carried on by or under the management and direction of the Board; and any act or thing, and any branch or kind of business which by the Memorandum of Association is either expressly or by implication authorized to be done, suffered or undertaken by the Association, may be undertaken by the Directors at such time or times and in such manner as they shall think fit.

12 Any number of series of one lakh bonds shall be issued by the Association in favour of those who are desirous of depositing Rs. 50 each with the Association free of interest, and the qualified holders of the said bonds shall be entitled to receive loans ranging from Rs. 1000 to Rs. 5000 without interest on their personal security, repayable in 100 monthly instalments of Rs. 10 per thousand, as determined by the drawings of every calendar year to be held on 31st January of the subsequent calender year, as explained below.

Issue of bonds.

Grant of loans by drawings.

**Example:**—If there will be 1,00,000 qualified bond-holders (in any series issued by the Association) on 1st January of a calendar year, the Association will have collected not less than Rs. 3,00,000 towards interest during the said calendar year either from the bond-holders themselves or by investing the fully paid-up bond amounts in the Government or in the Government Securities at a minimum rate of 6 per cent interest per annum. Out of the names of the said one lakh bond-holders, only one hundred names will be drawn in the drawings of the said year to be held on 31st January of the subsequent calendar year and the first and second drawn bond-holders will get loans of Rs. 5000 and Rs. 2000 respectively, while the remaining 98 drawn bond-holders will get loans of Rs. 1000 each, amounting in all to Rs. 1,05,000 and leaving a surplus of Rs. (3,00,000 less 1,05,000) 1,95,000 for being utilized for charitable and other purposes as mentioned hereinafter.

Example for holding drawings and distributing loans among the drawn bond-holders.

13. If the number of qualified bond-holders be less than one lakh on the first day of a calendar year, so many names as many thousands of qualified bond-holders as there will be on the said day shall be drawn in the drawing of that year and all the drawn bond-holders including the first and the second also shall get a loan of Rs 1000 each. If there be any part of one thousand, the last drawn bond-holder shall get a loan of so many hundreds of rupees as many complete hundreds of bond-holders as there will be in that part of one thousand as explained below.

Drawing when the number of bond-holders is less than one lakh.

**Example:**—If there will be 78,422 qualified bond-holders on the first day of a calendar year, only 79 names will be drawn as there will be one incomplete and 78 complete thousands. So, 78 drawn bond-holders will get a loan of Rs. 1000 each while the last (i.e. 79th) drawn bond-holder will get only Rs. 400 as there will be only four complete hundreds in that one incomplete thousand.

Example for the above.

14. Any person of sound mind, aged 18 or above, can take up any number of bonds in any series without any restriction of caste, creed or sex. Every bondholder shall pay Rs. 2-8-0 per bond with his application towards admission fee and cost of bond.

Eligibility for taking up bonds and payment of admission fee and cost of bonds.

15. In case a bondholder cannot pay the bond amount of Rs. 50 in lumpsum with his application, he shall be allowed to pay the same by instalments of not less than Re. 1 each, per month ; but such bondholders shall pay an interest of As. 4 per month per bond until they complete the payment of Rs. 50. Both the abovesaid instalments and interest shall be paid on the first of each calendar month and the said instalment and interest shall commence to be paid from the month following that in which the allotment of bond will be made.

Payment of bond amount by instalments

16. If the monthly instalment and interest are not paid within the month in which they fall due, the bond shall lapse to the Association and the name of the bondholder shall be struck off, and the amounts paid thereon till then forfeited to the Association in case the same is not got revived by the bondholder within three months from the date of default, on payment of all arrears with a penalty of one anna per Rupee per month.

Forfeiture, Revival and penalty.

Eligibility of bond-holders to participate in the drawings.

17. (a) The bondholders who will have paid-up their bond amountsfully before 1st January and also those who have not completed the payment of their bond amounts before the said 1st January, but will have paid all the due monthly instalments and interest till the end of a calendar year without anything in arrears, shall be qualified to participate in the drawings of the said calendar year.

(b) Those persons that take up bonds subsequent to January in a calendar year and who pay interest at As. 4 per bond per month from 1st January upto the end of the month in which the bonds will be allotted to them shall also be qualified to participate in the drawings provided the monthly instalments and further interest on their bonds payable during the said calendar year will not be in arrears.

Deduction of balance bond amount out of the loan advanced.

18. If the name of any partly paid-up bond-holder is drawn, the balance amount due on his bond shall be deducted out of the loan amount to be paid to him.

Refund of bond amount to the bond-holders.

19. No bond-holder in any series shall be entitled to the refund of his bond amount until his bond is drawn, but he shall be allowed to adjust his bond amount out of the last instalments payable by him on account of the loan advanced to him.

Non-inclusion of the drawn bonds in subsequent drawings and when bond-holders cease to be such.

20. The bonds once drawn shall not be included in the subsequent drawings and the drawn bond-holders shall cease to be the holders of their bonds after they liquidate the loan amounts advanced to them.

Rights of the heirs of the deceased and other bond-holders.

21. The legal heirs of the deceased bond-holders or of those who become lunatic or of unsound mind shall have the same rights and privileges as if they had been original bondholders.

Security to be furnished by the drawn bond-holders if required by the Directors.

22. The Directors, before the grant of loan to any drawn bondholder, may, at their discretion, ask the said bondholder to furnish a personal guarantee of any respectable person for the repayment of the loan amount in case of the bond-holder's death before the repayment of the said loan amount, or to take up a life policy to the extent of the loan amount in his name in any Life Assurance Company approved by the Association on payment of the first year's premium and keep the said policy deposited with the Association as security for the loan amount advanced so that the unpaid loan amount may be adjusted out of the assured amount and the balance paid to the heirs or the nominees of the bondholder in case of his previous death, to avoid litigation which would otherwise arise.

When unpaid loan amount becomes immediately payable.

23. In case any bondholder, after the receipt of the loan amount, discontinues the payment of his instalments for three consecutive months or allows his policy deposited with the Association to lapse owing to the non-payment of his premiums on due dates, the unpaid loan amount shall become immediately payable by him to the Association.

Holding drawings in places other than the Head Office.

24. If there will be not less than 100 bondholders eligible for drawing in any Province or principal town, the Directors may, at their discretion, allow a drawing of the bondholders of that Province or the principal town to be held therein and the names of the bondholders of the said Province or the principal town as the case may be shall not be included in the drawings to be held at the Head Office of the Association if the drawing is held in the said Province or principal town. The examples given under Articles 12 and 13 shall apply to each of the said drawings held separately.

Opening branches in

25. After the Provincial Board is organised in a Province, the Directors

may open a Branch of the Association in the said Province under the management of the said Provincial Board subject to the control and supervision of the Directors. The Directors, if they deem it advisable, may even transfer the accounts of all the bond-holders in the said Province to the said Branch Office and authorize the Provincial Board to issue bonds from the said Branch Office alone.

other Provinces, transfering of bond-holders' accounts to the said branches and authorizing the issue of bonds by them.

26. The principal amount of bonds to be collected from the bond-holders shall form a separate fund called 'The Personal Investment Fund' and such fund shall be as absolute security for the bond-holders.

Personal Investment Fund and sole charge of the bond-holders thereon.

27. The bond-holders of the Association in a Province shall have a preferential lien on the funds collected and invested either in the Government of the said Province or in the securities guaranteed by the said Provincial Government.

Preferential lien of the bond-holders on the funds collected in each Province.

28. The Directors may, if they think it advisable, issue any number of series of bonds of higher or lower denomination and give the benefits to the holders of the said bonds proportionately.

Issue of bonds of higher or lower denomination with proportionate benefits.

29. The Directors may, whenever they deem it necessary, issue separate series of bonds for each Province, or community as they shall think fit.

Separate series for each Province or Community.

## V. CHARITABLE INSTITUTIONS.

30. The Directors shall start Charitable Institutions for feeding the disabled and nourishing the suffering poor at Mysore and also in each and every Province or Principal town throughout India, Burmah and Ceylon and 50 per cent. of the interest accruable on the bondholders' funds of the Association shall be exclusively utilized for the maintenance of the said institutions.

Where Charitable Institutions are to be started and how maintained.

31. If there will be any surplus out of the above said 50 per cent. interest after meeting the expenses of such institutions, the Directors may utilize the same for aiding the Educational, Medical, Religious and other similar charitable institutions as they think fit.

Surplus of 50 per cent. interest to be utilized for aiding Educational, Medical, Religious and other institutions.

32. Fifty per cent. of the interest accruable on the funds to be collected from one lakh bondholders of the first series shall be exclusively utilized for aiding the Educational Institutions and Students' Homes to be established throughout India by His Holiness Sri Jagadguru Sivananda Rajendra Sivacharya Mahaswami of Rambhapuri, and the amount thus allotted shall be allocated by a Committee consisting of His Holiness as President and the Directors of the Association as the members of the said Committee.

Utilization of half of the interest accrued on the funds of the first series.

33. If there will be not less than 2,000 fully paid-up bondholders in a Province, District, Taluk or town, the Directors shall at once organize a Provincial or Local Board, as the case may be, in the said Province, District, Taluk or town and make necessary arrangements for starting a charitable institution therein as mentioned in Article No. 30. In case a charitable institution is so started in a Province, District, Taluk or town, 50 per cent. of the interest accruable on the funds of the bondholders in the said Province, District, Taluk or town shall be utilized exclusively for maintaining the charitable institution in the said Province, District, Taluk or town alone.

When charitable institutions to be started and how they are to be maintained.

## VI. MANAGEMENT OF BUSINESS.

34. Mr. M. L. Nagannah shall be and he is hereby appointed as the Chief Organizer of the Association in terms of the agreement, a draft whereof, is set out in the schedule hereto. He shall do everything necessary

Appointment of the Chief Organizer.

for the promotion, registration, formation and establishment of the Association, and also he shall have power to pay and charge to the Capital account all the legal costs, charges and expenses of and incidental to the same.

Association to enter into agreement and agreement to be sealed by the Association.

35. The Association shall enter into the abovesaid agreement with Mr. M. L. Nagannah and the Directors shall forthwith, after the incorporation of the Association, affix the seal of the Association to the said agreement. The Association is formed on the basis that the said agreement shall be entered into and every member of the Association, present or future, shall be deemed to have noticed the provisions of the agreement and to have assented to the terms thereof

Duties of the Secretary.

36. The business of the Association shall be carried on by the Secretary of the Association at Mysore in the name of the Association in the ordinary course, under the control and directions of the Chief Organizer, subject to the Regulations of the Association and bye-laws of the Board of Directors and all receipts signed by the Secretary shall be valid and sufficient to all intents and purposes. The Secretary of the Association shall cause all various disbursements made in carrying on the business of the Association with the previous sanction of the Chief Organizer and shall cause proper accounts kept of all the transactions of the Association. The Secretary, at the end of every calendar year, shall settle and adjust accounts of the Association with the Board and Auditors and shall make out a Balance Sheet and all the Returns and statements required by the Acts to be audited and signed as the Acts require.

Secretary to be in charge of the Head Office.

37. The Secretary shall be solely in charge of the Head Office of the Association and keep all books, documents, papers, accounts etc belonging to the Association in such form as the Chief Organizer directs. The Secretary shall also keep all letters signed by him and shall submit to the meetings of the Association and of the Directors and the Committee, requiring the attention of these bodies.

The Secretary to comply with the provisions of the Acts and Regulations of the Association.

38. The Secretary shall duly comply with the provisions of the Acts and the Regulations of the Association and he shall submit all the necessary returns to the Registrar as well as to the members of the Association then and there in due time in compliance with the said Acts and Regulations.

General Management in the hands of the Chief Organizer.

39. The general management of the business of the Association, subject to the control and supervision of the Directors, shall be in the hands of the Chief Organizer of the Association, who shall have power and authority on behalf of the Association, subject to such control and supervision, to do all other things usual, necessary or desirable in the management of the affairs of the Association or in carrying out its objects, and shall have power to appoint and employ, in or for the purpose of the transaction and management of the affairs and business of the Association, or otherwise for the purpose thereof, with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise, as he shall think fit, and from time to time to remove or suspend the Secretary, Managers, Officers, Chief Agents, Agents, Clerks and other employees as he shall think proper.

Chief Organizer to have power to sub-delegate.

40. The Chief Organizer shall be authorized to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him either by these Articles or by the Directors, and in particular, from time to time appoint an Attorney or Attorneys, for the management and transaction of the affairs of the Association in any specified locality, in such manner as he may think fit.

Endorsement of

41. All Government securities held by the Association, and requiring

the endorsement of the Association, shall be endorsed for and on behalf of the Association by the Secretary, the Chief Organizer and the Chairman of the Board of Directors. Cheques or orders for payment (including that of interest accrued on the Government Securities) given to the Association's bankers for collection, and requiring endorsement of the Association, may be endorsed, on its behalf, by the Secretary alone or such other officer authorized by the Board, and in case the said cheques or orders for payment are to be encashed, the same shall be signed by the Secretary and countersigned by the Chief Organizer.

Bills etc.

42. The Chief Organizer shall act as the Superintendent of all the charitable institutions started and aided by the Association.

The Chief Organizer to be the superintendent of all charitable institutions.

## VII. GENERAL MEETINGS.

43 The General Meeting shall be held once at least in every calendar year at such time, not being more than 15 months after the holding of the last preceding General Meeting at such place in Mysore as may be determined by the Directors. Such General Meetings shall be called 'Ordinary Meetings' and all other meetings of the Association shall be called 'Extraordinary Meetings.' 15 clear days' notice at least shall be given to the members for every General Meeting, ordinary or extraordinary.

Ordinary and Extraordinary General Meetings to be held.

44. Five members present in person and entitled to vote, shall be a quorum for an Ordinary General Meeting while the quorum for an Extraordinary General Meeting shall be not less than ten members present in person and entitled to vote.

Quorum.

45. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting. If their be no chairman or if at any meeting, he shall not be present within half an hour after the time appointed for holding such meeting, or is unwilling to act, the Directors present may choose a Chairman, and in default of their doing so, the members present shall choose one of the Directors to be chairman, and if no Director be willing to take the Chair, shall choose one of their number to be Chairman.

Chairman of the General Meetings.

46 Where it is proposed to pass a special resolution, the two meetings may be convened by one and the same notice, and there shall be no objection to such notice as it only convenes the second meeting contingently on the resolution being passed by requisite majority at the first meeting.

Two meetings convened by one notice.

47. The accidental omission to give notice of any meeting to any of the members shall not invalidate any resolution passed at any such meeting.

Ommission to give notice.

## VIII. DIRECTORS.

48. Until otherwise determined by a General Meeting, the number of Directors shall be not less than 4 and not more than 7 excluding Bondholders' Representative. The subscribers of the Memorandum of Association shall be the first Directors of the Association. They shall continue as such until they resign or any others are elected in their place in the first or subsequent General Meetings subject to the provisions of any agreement between all or any of them and the Association.

Number of Directors and first Directors.

49. As soon as there will be 2,000 fully paid-up bondholders, the Directors shall apply either to the Government of Mysore or that of India for the appointment of a Bondholders' Representative on the Board of Directors to watch the interests of the bondholders. The said appointment may be made by the Government once in every year or otherwise as they shall think fit. The Bondholders' Repre-

Election of bondholders' representative by the Government to be on the Board and his remuneration.

sentative shall be entitled to the same privileges and remuneration as any other Director of the Association.

Power of Directors to appoint additional Directors.

50. The Directors shall have power, at any time, and from time to time, to appoint any other qualified person as a Director, either to fill up a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not, at any time, exceed the maximum number fixed.

Qualification of each Director and when the office of a Director to be vacated.

51. The qualification of a Director shall be the holding of at least 20 shares in the Association to the nominal value of Rs. 1000/-. The Office of a Director shall **ipso facto** be vacated if he ceases to hold the number of shares required to qualify him for office, or if he becomes a defaulter on account of non-payment of two instalments consecutively or if he is convicted for any offence involving moral turpitude.

Remuneration of Directors.

52. A Director shall be paid by way of remuneration for his services a sum of Rs. 25 for each meeting of the Board and a sum of Rs. 12-8-0 for each meeting of the Committee attended by him and all the Directors including Bondholders' Representative (if any nominated) shall, in addition, receive 10 per cent of the net profits of the Association every year to be divided equally among them. Until the business of the Association is commenced, the Directors shall not be entitled to any meeting fees and even after the business is commenced, they shall be entitled to only half of the meeting fees specified above till the whole capital of the Association is fully subscribed.

Travelling expenses of the Directors.

53. The Directors may allow and pay to any Director who is not a bona-fide resident of Mysore and who shall come to Mysore for the purpose of attending the meeting, such sum as the Directors may consider fair compensation for his travelling expenses in addition to his fee for attending such meeting as above specified.

Power of Director to re.

54. A Director may retire from office after giving three months' notice in writing to the Association of his intention so to do, and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.

Who is to call the ting of Directors Committee of Di- tors.

55. The Secretary on the requisition of the Chief Organizer or of the majority of the Directors, shall at any time, summon the meeting of the Directors or of the Committee of Directors.

Quorum and number meetings.

56. Unless otherwise determined by the Directors, the quorum of the meeting of the Board or the Committee of the Directors, shall be three. In a calendar year, the meetings of the Board shall not be more than two and those of the Committee shall not be more than twelve, except in emergent cases

Resolution without ard Meeting valid.

57. A resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

Appointment of the mmittee.

58. The Directors shall appoint a Committee consisting of the Chief Organizer, the Bondholders' Representative ( if any nominated ) and two of the other Directors for conducting the business of the Association and all acts done by the said committee in conformity with the Regulation but not otherwise, shall have the like force and effect as if done by the Directors unless any of such powers are specifically restricted by the Board.

Powers and duties the Committee.

59. The Directors may, from time to time, entrust to and confer upon the said Committee such of the powers exerciseable under these presents by the Directors as they may think fit and may confer such powers for such

time and to be exercised for such object and purposes and upon such terms and conditions, and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of, and substitution for, all or any of the powers of the Directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Meetings of the Committee.

69. The Committee shall in the exercise of powers so delegated, conform to any Regulations that may, from time to time, be imposed upon it by the Directors. The meetings and the proceedings of the said Committee shall be governed by the Regulations provided for conducting the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any Regulations made by the Directors.

Resolutions of the Committee requiring the approval of the majority of the Directors.

61. All the resolutions passed in a meeting of the Committee concerning matters of which powers are restricted by the Directors shall be circulated to all the Directors of the Association who are not members of the Committee for approval by post or otherwise and such resolutions as will meet the approval of the majority of them shall be given effect to.

Minutes of proceedings of the Association and of the Directors and Committee to be kept.

62. The Directors shall cause minutes to be made in books provided for the purpose,

1. of all the appointments of the officers and Committees made by the Directors;
2. of the names of the Directors present at each meeting of the Directors and of Committee of Directors;
3. of all orders made by the Directors and Committee of Directors;
4. of all resolutions and proceedings of General Meetings, and all meetings of the Directors and Committee.

Minutes of proceedings if signed by the Chairman shall be received as prima-facie evidence.

63. Any such minutes of any meeting of the Directors or of the Committee or of the Association, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall be received as prima-facie evidence of the matters stated in such minutes.

Secretary to send copies of resolutions of meetings to all the Directors.

64. The Secretary of the Association shall act as the Secretary of all the meetings of the Directors and of the Committee of Directors and he shall be in charge of the Minutes book. Copies of all resolutions and proceedings of every meeting of the Directors or of the Committee of Directors shall be sent to all the Directors of the Association within a week from the date of such meeting, and every copy shall be certified by the Secretary and the Chairman of the Meeting as true copy of the said resolutions and proceedings.

## IX. POWERS OF DIRECTORS.

Powers of Directors.

65. The Directors, in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Association, and are not hereby or by law expressly directed or required to be exercised or done by the Association in General Meeting; but subject, nevertheless, to the provisions of the said Act and under these presents, and to any Regulations from time to time made by the Association in General Meeting; provided that no Regulation so made shall invalidate a prior act of

the Directors which would have been valid if such Regulation had not be made.

Express powers of the Directors,

66. In furtherence and in not limitation of, and without prejudice to t general powers conferred by these Articles, it is hereby expressly declar that the Directors shall have the following powers, that is to say, power:—

to pay preliminary expenses.

(a) to pay and to charge to the Capital Account of the Associ tion the Legal costs, charges and expenses of and incident to the promotion, registration, formation and establishme of the Association,

to execute agreement.

(b) to execute or cause to be executed on behalf of the Ass ciation an agreement in terms of the draft thereof alrea prepared and purporting to be made between the Associ tion of the one part and Mr. M. L. Nagannah of the oth part, which draft is set out in the Schedule hereto,

to execute other agreements.

(c) to execute or cause to be executed on behalf of the Ass ciation an agreement or agreements with any person persons for conducting and furthering the business of t Association upon the terms and conditions as they think f

to organize Provincial and Local Boards, Branches & Agencies.

(d) to organize Local and Provincial Boards, Branches a Agencies within and beyond the limits of India, Burm and Ceylon whenever the Directors deem it necessary, such terms and conditions and also with such powers a duties as the Directors may, from time to time determin

foreign business.

(e) to take all necessary steps for registering the Associatic in conformity with the laws of any foreign State or Briti Colony or Dependency and apply for and accept all statute laws or Decrees of the Government or authorities there necessary or expedient for enabling the Association carry on business w thin the jurisdiction of such State Colony or Dependency, and for the purpose of transacti business or of getting the advantage of business transac ons abroad, to form and carry subsidiary company ,Englis Colonial or Foreign and to subscribe for or purchase a hold or dispose of the whole or any part of the capital such company and to use any subsidiary company Agency or Branch,

to pay expenses for formation of such companies,

(f) to pay out of the capital of any such company all fee costs, charges and expenses which may be incurred, sustained in connection with the promotion and registrati of any such company, or in connection with any oth matter relating thereto,

to appoint and remove officers and others.

) to appoint and at their pleasure to remove or suspend (subject to the provisions of any agreement between them and the Association) Secretaries, Managers, Officers, Local and Provincial Directors, Chief Agents, Agents, Clerks and other employees for permanent or temporary or special services as they may from time to time, think fit and to determine their powers and duties and fix their salaries or emoluments and to acquire security in such instances and to such amount as they think fit,

(h) to enter in the name and for the purposes of the Association into such contracts as they may, in the exercise of discretion, consider necessary, including the accepting, making and negotiating of bills of exchange, promissory notes or other similar obligations, — to enter into contracts

(i) to institute, conduct, defend, compromise and abandon any legal proceedings by or against the Association or its officers or otherwise, concerning the affairs of the Association, — to institute legal proceedings.

(j) to refer to arbitration any claims or demands of or against the Association or any differences between the Association or the Board and other persons, and to perform and observe the awards therein or to contest the same if thought expedient, — to refer to arbitration.

(k) to issue in their absolute discretion the whole or any part of the shares for the time being forming part of the capital of the Association as and when and subject to such terms and conditions and either at par or at such premium, and to such person or persons, to the exclusion of any other persons or class of persons as the Board, acting in pursuance of these presents, may deem it necessary, proper or expedient in any circumstances whatsoever, — to issue shares.

(l) to purchase, hire, rent or otherwise acquire at any place whatever, such lands,houses and buildings, as they consider advisable for the purposes of the Association and to pull down, remove, alter and convert any such houses or buildings and to fit up and furnish, and insure against loss by fire all or any such houses or buildings with or without fittings and furniture, and to let or demise or give possession of, the whole or any part of the same whether fitted up or furnished or otherwise to such person or persons and upon such terms as to tenancy and occupation, as they consider advisable in the interests of the Association and the promotion of or carrying on its business, — to acquire lands and buildings.

(m) to let, mortgage, sell or otherwise dispose of any property of the Association either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit, and to accept payment or satisfaction for same in cash or in the Association debentures or in fully paid-up or other shares of the Association or partly in cash and partly in such debentures or shares or in such other manner as the Board deem expedient, — to mortgage and sell property.

(n) to buy or procure the supply of all plant, machinery, materials, stores, fuel, implements, apparatus, furniture and other moveable property required for the purposes of the Association, — to purchase machinery etc. for the use of the Association.

(o) to raise or borrow money for the purpose of the Association on the mortgage of its property or any part thereof or otherwise, and either including any part of the capital of the Association paid or unpaid, and either on any bond or debenture payable to bearer or otherwise, or on any call or any of such securities and at such rate of interest and re- — to borrow money.

payable in such manner and generally upon such terms as the Board shall think fit,

to pay debts and claims.

(p) to pay and satisfy all debts due from and all liabilities of and claims and demands against the Association,

to delegate and sub-delegate powers etc.

(q) to delegate to any person or persons any of the powers, authorities and discretions vested in the Directors and also authorise him or them to sub-delegate,

to issue power of Attorney

(r) to appoint by power of attorney any person or persons to be the attorney or attorneys of the Association for such purpose and with such powers, authorities and discretions and for such period and subject to such conditions as the Directors may, from time to time, think fit,

to appoint Trustees.

(s) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Association in which it is interested or any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such Trustee or Trustees,

to authorize acceptance etc.

(t) to determine the person or persons who shall be entitled to sign on behalf of the Association bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents,

to give security by way of indemnity.

(u) to execute in the name of and on behalf of the Association in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Association, such mortgages of the Association's property, present and future, as they think fit and any such mortgage may contain the power of sale and such other powers, covenants and provisions as shall be agreed upon,

to invest funds of the Association.

(v) to invest the funds of the Association from time to time in any Government Securities, to vary such invesments and to execute all assignments, and tranfers, receipts and documents that may be necessary or expedient in that behalf,

to pay commission and profits.

(w) to give to any person employed by the Association a commission or share in the general profits of the Association on any particular business done by him such commission or share of profits being treated as part of working expenses of the Association,

to frame bye-laws.

(x) to make bye-laws in conformity with these Articles to provide for cases and conditions not provided for herein and

general.

(y) generally to do, sanction and authorise all such matters and things as may be necessary to be done in or about conducting the affairs of the Association or carry into effect all or any of the objects or powers of the Association as expressed in the Memorandum of Association, or in and about the execution of all or any of the powers hereinbefore conferred upon the Directors.

## X. SEAL.

The seal, its custody and use.

67. The Directors shall provide a common seal for the purposes of the Association, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Directors shall provide for the safe custody of the seal for the time being and the seal shall never be used except by the authority of the Directors or the Committee of Directors previously given.

Deeds.

68. All deeds, certificates or other instruments executed on behalf of the Association, shall be in such form and contain such powers, provisos, conditions, covenants, clauses and agreements as the Directors shall think fit and in addition to their being impressed with the seal of the Association, they shall be signed by the Secretary and counter-signed by the Chief Organizer or any other Director appointed by the Board; in case the said certificate, deed or instrument is in favour of either the Secretary or the Chief Organizer, it shall be signed by any two of the other Directors.

## XI. AUDIT.

Accounts to be audited annually.

69. Once at least in every calendar year the accounts of the Association shall be examined and the correctness of the Profit and Loss Account and the Balance Sheet ascertained by one or more Auditor or Auditors.

Audit provisions; rights and duties of auditors.

70. The Association, at each Ordinary General Meeting, shall appoint an Auditor or Auditors to hold office until the next Ordinary General Meeting and their remuneration, rights and duties shall be regulated by Sections 144 and 145 of the Mysore Companies Regulation.

Audit of accounts by the auditor appointed by the Government.

71. As soon as the Association secures 2,000 fully paid-up bondholders, the Directors shall apply to the Government of Mysore for the appointment of an auditor on behalf of the bondholders for auditing the accounts of the Association in addition to their being audited by the Auditor appointed by the Shareholders. If the Government appoints such an auditor, such remuneration as the Government direct, shall be paid to him by the Association.

When accounts to be deemed finally settled.

72. Every account of the Directors when audited and approved by the General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered, within that period, the accounts shall forthwith be corrected and thenceforth shall be conclusive.

Destruction of records relating to the period previous to 3 years.

73. The Secretary, at the end of every calendar year may, with the previous sanction of the Board, destroy files of correspondence, vouchers and other papers which will be relating to the period previous to three years and also not required for any future reference they being unnecessary and unimportant.

## XII. NOTICES.

How notices are to be served on members.

74. The notice may be served by the Association upon any member, either personally or by sending it through the post in a prepaid card, letter, envelope or wrapper, addressd to such member at his registered place of address.

Members residing abroad.

75. Each holder of registered shares whose registered place of address is not in India, Burma or Ceylon, may from time to time, notify in writing to the Association an address in India, Burma or Ceylon, which shall be deemed his registered place of address within the meaning of the last preceding clause.

Notices where no

76. As regards those members who have no registered place of address

address.

in India, Burmah and Ceylon, a notice posted up in the Office shall be deemed to be well served on them at the expiration of 24 hours after it is posted up.

Notice to joint-holders.

77. All notices shall, with respect to any registered shares to which persons are jointly entitled, be given to whichever of such persons is first named in the register and notice so given shall be sufficient notice to all the holders of such shares.

When notice by post deemed to be served.

78. Any notice sent by post shall be deemed to have been served on the day on which the card, letter, envelope or wrapper containing the same is posted and in proving such service, it shall be sufficient to prove that the card, letter, envelope or wrapper containing the notice was properly addressed and put into the post office. A certificate in writing signed by the Secretary, Manager or other officer of the Association that the card, letter, envelope or wrapper containing the notice was so addressed and posted shall be conclusive evidence thereof.

Notice by advertisement in newspapers.

79. The Notice of the General Meeting whether ordinary or extraordinary, may be given to the members by advertisement only once in two daily newspapers one of which should be a local newspaper and the other should have publication in British India. If the notice is so given by advertisement, the notice shall be deemed to have been served upon the members on the day the said notice will be published in the said papers.

Transferees etc. bound by prior notice.

80. Every person who, by operation of transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such shares which, previously to his name and address being entered in the register, shall be duly given to the person from whom he derives his title to such share.

Notice valid though members deceased.

81. Any notice or document sent by post to, or left at the registered address of, any member, in pursuance of These Presents, shall, notwithstanding such member being then deceased, or whether or not the Association has notice of his decease, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder thereof, and such service shall for all purposes of These Presents be deemed sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any, jointly interest[illegible] him, in any such shares.

How notice to be signed.

82. Any notice to be given by the Association shall be signed by the Secretary or by such other officer as the Directors may appoint and the signature thereto may be written, printed or lithographed.

## XIII. DIVIDENDS AND RESERVE.

Payment of dividends to shareholders

83. The Shareholders shall be entitled to the dividen profits of the Association provided they will have paid up their full share amounts before the end of the year for which the dividends will be declared.

Unclaimed dividends

84. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Association until claimed and all dividends unclaimed for three years after having been declared, may be forfeited by the Directors for the benefit of the Association.

Reserve Fund.

85. The surplus amount of interest accrued on the bondholders' fund (after transferring the prescribed amount to the Drawing and Charity Funds

as herein-before mentioned) every year, plus the admission fees, cost of bond and penalty payable by the bondholders as also the amount of loans re-payable by the drawn bondholders, less all the working expenses of the Association and the dividends payable to the Shareholders shall be the Reserve Fund of the Association.

When Charity Fund can be appropriated for working expenses.

86. If in any year the working expenses of the Association exceed the surplus amount of interest and other incomes of the Association as mentioned in the last preceding Article, the Directors shall appropriate a portion of interest amount transferable to the Charity Fund for that year so as to cover the expenses incurred in excess during that year in case they find that the same cannot be met out of the existing Reserve Fund.

Appropriation of forfeited shares and bonds amount.

87. Till the preliminary expenses are entirely written off, the amount of forfeited shares and bonds shall be transferred to the Profit and Loss Account of the Association while the same shall be transferred to the Reserve Fund of the Association thereafter. The transfer of the forfeited shares amount shall be effective only after the shares so forfeited are re-issued by the Association.

Appropriation of Reserve Fund.

88. The Directors may, from time to time, apply the Reserve Fund, if any, or such portion thereof as they think fit, to meet contingencies or losses or for equalizing dividends or for repairing and maintaining buildings and premises of the Association or any part thereof or for any purpose of the Association which they may, from time to time, deem expedient.

## XIV. INVESTMENT OF FUNDS.

General Banking accounts.

89. The Directors shall cause the banking account or accounts of the Association to be kept in the name of the Association with such bank or bankers as the Directors from time to time, determine and every sum paid on behalf of the Association amounting to Rs. 100 or upwards (except payments made from suspense account) shall be paid by cheque drawn on the bank or bankers of the Association and signed by the Secretary of the Association and countersigned by the Chief Organizer and the Chairman of the Board of Directors.

Suspense Account with the bank.

90. The Directors may, if they think fit, open an account with the local bankers of the Association to be called the Suspense Account and may place a sum not exceeding Rs. 1000 to the credit thereof and may authorize the Secretary and the Chief Organizer alone to operate on such account for the purposes of the Association and the Board shall, at each of their Meetings, examine and audit the suspense account and may, if they think fit, replace the amount which has been drawn from that account or so much thereof as they deem expedient by transferring to that account from the General Funds of the Association a sum equal to the amount which has been so drawn out or by such other means as they think fit.

Authority of Board for payment.

91. No payment other than payment from the Suspense Account shall be made without the authority of the Board or the Committee of the Directors

Investment of paid-up capital.

92. The paid-up capital of the Association shall be invested entirely in the Personal Investment Department of the Association and the said Department shall issue Personal Investment Bonds in favour of the Shareholders in lieu of the Share amounts to be invested therein so that the shareholders also may enjoy the privileges of the bondholders as mentioned in Article No. 8.

Investment of personal Investment Funds.

93. The Personal Investment Funds (that is, the principal amount of bonds to be collected from the bondholders) shall be invested entirely and also

perpetually either in the Government of Mysore or in either Indian or Foreign Government at a minimum rate of six per cent. interest per annum. In case no Government is willing to receive the abovesaid funds as perpetual deposit at the abovesaid rate of interest, the said Personal Investment Funds shall be invested entirely in the securities guaranteed by any of the said Governments.

Appointment of Official Trustee or Trustees, and the Government securities to be kept in safe custody.

94. If the Government securities are purchased by the Association as mentioned in the last preceding Article, they shall be held for safe custody by an Official Trustee or Trustees appointed for the purpose by either the Government of Mysore or any other Government, either Indian or Foreign or both.

Government Securities to be deposited with the Bankers of the Association.

95. Till the Official Trustee or Trustees are appointed by the Government, all the Government securities purchased by the Association shall be kept deposited with the Bank or Bankers of the Association for safe custody.

Funds invested in and Official Trustee appointed by Local Governments.

96. If there will be not less than 2,000 fully paid-up bondholders in any Province, the Directors may invest the funds collected from the bondholders in the said Province either in the said Provincial Government or in the Securities guaranteed by such Government and they may allow the said Government Securities to be held for safe custody by an Official Trustee appointed by the said Government alone

Investment of Reserve Fund.

97. The Reserve Fund of the Association together with interest accruable thereon shall be utilized in purchasing or constructing buildings for the Head Office, Chief Agency Offices and Charitable Institutions of the Association and the surplus Reserve, Fund, if any, shall be invested in such securities as are determined by the Board from time to time.

## XV. INDEMNITY AND RESPONSIBILITY.

Directors' and others' rights indemnified.

98. Every Director and other Officer or servant of the Association shall be indemnified by the Association against, and it shall be the duty of the Directors, out of the funds of the Association to pay all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or deed done by him as such officer or servant, or in any way in the discharge of his duties, including travelling expenses and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Association and have the priority as between the members over all other claims.

Not responsible for acts of others.

99. No Director or other officer or servant of the Association shall be liable for the acts, proceeds, neglects or defaults of any other Director or officer or servant or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Association through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Association or for the insufficiency or deficiency in any security to or upon which any of the monies of the Association shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by an error of judgment oroversight on his part, or any other loss, or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

## XVI. SECRECY CLAUSE.

Secrecy Clause.

100. Every Director, Auditor, Secretary, Officer, servant, agent, accountant or other person employed in the business of the Association shall,

before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Association with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Directors or by any meeting, or by a Court of law, or by the person to whom such matters relate, and except so far as may be necessary in order to comply with any of the provisions contained in These Presents.

—:000:—

# SCHEDULE

(Draft agreement referred to in clause No. 3 (n) of the Memorandum and Articles Nos. 34, 35 & 66 (b) of the Articles of Association)

This Agreement made and entered into this day of 1926 between the All India Co-operative and Charitable Association Ltd., an Association registered under the Mysore Companies Regulation No. VIII of 1917 and having its Registered Office situate in Mysore (hereinafter called 'the said Association') of the one part and Mysore Lingannah Nagannah residing in Old Agrahar, Krishnaraj Mohallah, Mysore (hereinafter called 'the said Mr. M. L. Nagannah') of the other part, WITNESSETH THAT

Whereas it is provided in the Memorandum and Articles of Association of the said Association that the said Mr. M. L. Nagannah shall be the Chief Organizer of the Association and the Directors of the said Association are authorized by the said Articles of Association to execute or cause to be executed on behalf of the Association, this present agreement and whereas the said Association was registered on the day of 1926, it is hereby mutually agreed by and between the parties hereto and their successors and assigns in manner following, that is to say:—

1. The said Mr. M. L. Nagannah, his successors and assigns shall be the Chief Organizers of the said Association for a period of 25 years from the date of the registration of the said Association and thereafter until they of their own free will resign; and it is expressly agreed and declared by and between the parties that the appointment of the said Mr. M. L. Nagannah as such Chief Organizer shall not, during the continuance of this agreement, be revoked or cancelled on any ground or for any reason whatsoever save and except upon his being found guilty of fraud upon the said Association, by a competent Court of Law.

   The remuneration of the said Mr. M. L. Nagannah, as such Chief Organizer shall be as follows:—

   (a) From and after the commencement of the business of the said Association, an allowance of Rs. 100 per mensem and from and after the date when the capital of the said Association will be fully subscribed, an allowance of Rs. 200 per mensem or such other larger sum as may, from time to time, be fixed by the Directors as Office allowance.

   (b) A commission of 1 per cent on the nominal value of shares and Personal Investment Bonds allotted by the Association on receipt of the application moneys.

   (c) A commission of 2½ per cent. on the interest realized by the Association on its invested Funds and from its bond-holders.

   (d) A commission of 2½ per cent. on the amount of instalments re-paid to the Association by the drawn bondholders on account of the loans granted to them.

   If the said Association shall, at any time hereafter, carry on any business other than the Personal Investment business, the said Mr. M. L. Nagannah shall be paid such further remuneration as the Directors may deem fit.

   The said Mr. M. L. Nagnnah shall be at liberty to canvass any business of the Association in any part of the world and not only he, on the business done by his own exertion, shall get full commission and bonus payable to the Chief Agents of the Associa-

tion on such business, apart from that mentioned in clause 2 (b) of this agreement but also none else shall have any right to claim any over-riding commission on the business done by him.

5. The head-quarters of the said Mr. M. L. Nagannah shall be in the city of Mysore and if he goes outside the Mysore city on account of the business of the Association i. e. either for organizing new Agencies and Branches or for inspecting the old ones, he shall be entitled to single second class railway fare for himself and single third class railway fare for his servant together with a bata of Rs. 5 per day for the number of days he stays outside on account of the business aforesaid.

6. Subject to the control and supervision of the Directors, the said Mr. M. L. Nagannah shall have the general conduct and management of business and affairs of the Association and shall exercise all the powers vested and to be vested in him either by the Association or by the Directors. He shall have power and authority on behalf of the Association subject to such control and supervision of the Directors, to enter into all contracts and to do all other things, usual, necessary or desirable in the management of the affairs of the Association or in carrying out its objects, and he shall have power to appoint and employ in or for the purposes of the transaction and management of the affairs and business of the Association or otherwise for the purpose thereof, Secretary or Secretaries, Manager or Managers, Officers, clerks and other employees with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise as he shall think fit, and to remove or suspend such Secretaries, Managers, Officers, clerks and other employees as he shall deem necessary.

7. The said Mr. M. L. Nagannah shall continue as a Director and also one of the members of the Committee of Directors of the Association as long as he continues to be the Chief Organizer of the Association and he shall not be subject to any rotation.

8. In the event of the said Association being wound up at any time for the purpose and with the object of transferring its business to another company, the said Association shall make it one of the terms and stipulations of their agreement for the transfer of their property and business to such other company as aforesaid that such other company shall appoint the said Mr. M. L. Nagannah to be the Chief Organizer of such new company and with like powers and authorities to the said Mr. M. L. Nagannah and on the same terms and conditions as to remuneration, emoluments and otherwise as are herein contained; it is hereby expressly agreed and declared that save and except with such commission and stipulation as one of the sale and transfer thereof, the said Association shall not sell and transfer their business to any other company.

In witness whereof, the common seal of the All India Co-operative and Charitable Association Ltd. and the hand of the said Mr. M. L. Nagannah hereunto affixed the day, month and year above-written.

The common seal of the All India Co-operative and Charitable Association Ltd. has been hereunto affixed and Mr..... has subscribed his signature to this agreement for and on behalf of the said Association pursuant to the resolution of the Board of Directors passed at a meeting of the Board held on.....1926.

In the presence of:—

MYSORE PRESS, MYSORE.

From

The Chief Organizer,
All-India Mutual Aid & Poor Houses Assaciation Ltd.,
MYSORE.

To

K. Chandy, Esq., B.A.,
First Member of Council to the Government of His Highness the Maharaja of Mysore, BANGALORE.

No. 2170

Dated. 11th March 1927.

II Reminder.

---

Dear Sir,

In inviting your kind attention to this Office No. 2098-01 ~~2074~~ dated 25th ~~15th~~ February 1927 and also ~~two~~ subsequent reminders dated ~~26th February~~ and 6th March 1927, requesting the Government not only to issue orders to the Registrar of Joint Stock Companies in Mysore, Bangalore, for the immediate issue of the Business ----- Commencement Certificate unnecessarily and unusually with-held without rhyme or reason, but also to accept our funds perpetually as permanent deposit at the highest rate of interest just as they accept Charitable Endowments or to appoint an Official Trustee for holding the Government Securities in which the funds of the Association will be invested just as the Government of Bombay have done in case of the Oriental Government Security Life Assurance Co., Ltd., we re-

Dlo. Secy
Finance
12/3
14/3
14.3.27
14/3

regret to bring to your kind notice that we have not yet been favoured with any reply in response to our prayer and so request you to kindly see that early and favourable orders are passed by the Government in kind and generous consideration of the fact that the Association is a Charitable one and the privileges prayed for are for the safety of the constituents of the Association and the perpetual running of the Charitable Institutions to be started by the same.

From the adverse Press Communique issued by the Government and the silence maintained by both the Government and the Registrar, we cannot but presume that the issue of the Business Commencement Certificate must have been with-held and the Press Communique published as they (the govt.) do not like the undersigned to do any business of whatever nature it may be owing to the prejudice they may have on account of the misrepresentations of his adversaries. This presumption is further confirmed by the fact that when the undersigned had applied to the Government for permission a few months ago to start a Kannada weekly Newspaper by name "Veerashiva" for the moral, spiritual and educational uplift of the Veerashiva community people in particular and those of the other communities in general and wanted thereby to give to the public at large the benefit of his deep study on Philosophy for the last 15 years ~~but~~, the Government refused to grant permission without assigning any reasons therefor though they were pleased to grant the said permission to another person who put in an application subsequently and wanted to start a paper by name "Panchacharya Prabha" with the same object. So, we beg leave to say something about the past history and the business experience of the undersigned so that the prejudice if any has been entertained by the Government may be removed and the question as regards the issue of the Business Commencement Certificate and the grant of the prayed for special privileges may be decided on merits alone.

The undersigned entered into the business field for the first time in the year 1910 when he took up the Chief Agency of the Amritsar National Insurance and Banking Company Ltd., for the Mysore Province and Coorg. As the Amritsar Company had --- Life Insurance and Provident Marriage Departments, the undersigned could secure for the said Company nearly 3,000 Life Insurance and Marriage Policyholders in course of 3 years and consequently, he was awarded the prize of a golden watch and a golden medal for having stood first among all the Chief Agents of that Company --- throughout India in doing Life Insurance business. Subsequently as the undersigned came to know that the Amritsar Company was --- going to fail owing to the unsoundness of its Provident Marriage scheme (which he did not know at the time when he took up the --- Chief Agency being a lay-man) and the mismanagement of its - - - affairs, he had to resign his Chief Agency of the said Company in the early part of the year 1913 and started at Mysore the Asiatic Government Security Life Assurance Co., Ltd., (which was formerly called the Mysore Government Security Life and Marriage Assurance Co., Ltd.,) the Head Office of which is now at Bangalore, with -- improved schemes principally to safeguard the interests of the -- Policyholders of the Amritsar Company in the Mysore Province, -- though he lost an income of Rs.500/- which he was getting from -- that Company every month in form of commission and Office allow-- ance.

After the Asiatic Company was started in Mysore, the - undersigned issued notices to all the Policyholders of the Amrit- sar Company in the Mysore Province to have their policies trans-- ferred to the Asiatic Company and as many of them got their ----- policies transferred, the undersigned gave credit to their accounts in the Asiatic Company the amounts they had paid to the Amritsar - Company (though the Amritsar Company did not transfer any amount - to the Asiatic Company) as authorized by the Memorandum of Associ- ation of the Asiatic Company with an object of wiping off the loss

loss (amounting to more than Rs.10,000) undertaken by the ---- Asiatic Company like this to start with out of the profits the Asiatic Company might make later on. As the undersigned had - resigned the Chief Agency of the Amritsar Company against the - wishes of its Chief Manager and the Asiatic Company was started here detrimental to the interest of that Company, the Amritsar Company with an object of harming the reputation of the under-- signed and nipping the indigenous concern in its bud being actua by feeling of jealousy filed a criminal complaint against the - ted undersigned on a false charge of temporary misappropriation of Rs.75/- in the City Magistrate's Court, Mysore, soon after the Asiatic Company was started but he was honorably discharged by the Magistrate on the ground that the abovesaid Rs.75/- ✱ ----- (alleged to have been temporarily misappropriated by the under- signed) represented deposit amounts paid by a few Insurance --- proposers to the undersigned and the said amount having been -- kept in deposit with the undersigned till the proposals were -- accepted by the Amritsar Company and the proposers paid the --- balance amounts to make up the first premia as per practice in vogue could not amount to any misappropriation. The following remarks passed by the Magistrate in the concluding portion of - his order will speak for themselves.

"The Amritsar Company did little or no business in Mysore and Coorg at the time the accused took up the --- Agency but he secured such a flourishing business for -- the Company, that the Company recognized his good ser--- vices by awarding him a gold medal and a gold watch of - Rs.100/-.

From the correspondence between the accused and the Head Office, it is clear that the Company felt that their work would go down in Mysore as the accused set up a rival local Company of his own on the very lines of -- their Company and they discovered that the accused was a capable man and would catch all the business for his own Company. They coaxed him to give up his Company and to continue as their Agent as before and when their attempts in this direction failed, they were actuated by feelings of jealousy and wanted to harm the reputation of the --- accused and injure the cause of his new Company by this frivolous and vexatious case. When they found the com- plaint a trained Accountant ready to help them, they made use of his services for the purpose.

If the complainant had less enthusiasm and more - patience to evade through a mass of accounts with [illegible]

view to find out the truth, then his Company would not have been pricipitated into such hasty and --- noisy acts of jealousy and would have been spared the present humiliation and heavy expenditure.

The accused is therefore discharged under -- Section of the Criminal Procedure Code".

As the Amritsar Company failed to achieve its object in this direction, it wanted to realize from the undersigned - - - Rs.4,750/- being the inpaid amount of calls on the shares taken up by him in that Company and Rs. 3,000 and odd being the medical expenses incurred on account of the proposers (who had been canvassed by the undersigned just before he resigned his Chief ---- Agency and who did not care to take up policies by paying first premiums) amounting to more than Rs.8,000, and thereby harass the under--- signed. But, as the proverb says "Evil to him who evil thinks" the Amritsar Company itself was wound up in the year 1915 and the undersigned could settle everything with the liquidators in the - year 1916. Owing to the harassment of the Amritsar Company to - the undersigned both civilly and criminally and its subsequent -- failure made the public loose confidence in the undersigned and - his new (Asiatic) Company and consequently, not only there was no fresh business worth the name forthcoming but also many of the -- old policyholders allowed their policies to lapse. On the other hand, in the years 1914 and 1915 many of the remaining policies - matured and the Asiatic Company had to pay bonuses more than ---- Rs.10,000. Anyhow, the undersigned could manage to pay the said bonus amounts during the said years alone in spite of the above-- said adverse circumstances and also run on the Company till the - end of the year 1920 when the undersigned closed the old business once for all and wanted to commence Life Insurance business. So, he devised a new scheme for the immediate sale of shares and --- commencement of the Life Insurance business and launched out the same in the beginning of the year 1921.

In the meanwhile, the Government of Mysore owing to -- the complaints received against the undersigned by the policy--- holders who had lost their moneys on account of either the fail-

failure of the Amritsar Company or their policies having been - allowed to lapse in the Asiatic Company, had to appoint an ---- Inspector at their cost to investigate the affairs of the Asiatic Company. The said Inspector after thoroughly scrutinizing the accounts of the Asiatic Company since the very beginning -- upto the end of the year 1919 made a report to the Government. The Government seeing that the Inspector in his report had ---- found fault with the Company for having declared a dividend at 9% for the year 1918 amounting to Rs.333-1-8 in the absence of - sufficient profit and shown the same in the Balance Sheet as on 31st December 1919, mistook the declaration of dividend for ---- false Balance Sheet and ordered for the prosecution of the under signed along with the then other Directors and the Auditor. --- Consequently, the Police filed a complaint against the undersigned and others in the Special First Class Magistrate's Court, --- Mysore, in the beginning of the year 1921.

As the prosecution of the undersigned progressed, the --- Asiatic Company also became prosperus more and more and/ by the - time the trial was terminated and the undersigned was convicted - in the month of May 1923, he could sell five lakhs of rupees of - shares of the Asiatic Company owing to the attractiveness of the scheme, he could deposit one lakh/of rupees Government Securi --- ties with the Government of India as per Life Insurance Act and he could purchase a building for the Company at Mysore for - - - Rs.42,500/- in spite of the adverse interpellations continuously put in the Legislative Council by Mr. Hosakoppa Krishna Rao at -- the instance of Mr. Sanjeeva Rao the Press Correspondent and the series of Articles given by the latter published in all the leading Newspapers throughout India regarding the Government prosecution and the abovesaid interpellations. During the year 1921 -- alone, the Company made a profit of Rs.14,000 and odd and could, out of this profit, wipe off the loss of Rs.10,000 that had been undertaken in the beginning itself. In support of the above, please vide para 4 of the Directors' report for the said year

year 1921 which runs as follows.

"AUDIT AND PROFITS. - This Company was founded by the present Managing Director in the year 1913, principally to safeguard the interests of the Provident - Life and Marriage Policyholders who had lost their -- moneys in the National Insurance & Banking Co., Ltd., Amritsar, for which he (the Managing Director of the Company) had been the Chief Agent for the Mysore ---- Province, and consequently it had to start with a --- loss of more than Rs.10,000, being the amount not received but credited to the account of the said Policyholders (as authorized by the Memorandum 3 (d) of the Association of the Company) with the object of getting the said loss written off out of the profits that ---- might be earned by the Company later on. But the --- progress of the Company was checked by the efforts of the adversaries as well as for want of co-operation, - and as such not only the loss that had been undertaken in the beginning could not be made good as expected, - but also the old business of the Company in all its -- Departments had to be entirely closed on the 30th ---- September 1920 and almost a new life started from 1st: October 1920, with the introduction of the present --- Three-in-one (Share Policy Investment) scheme.

From perusing the annexed Balance Sheet and --- Profit & Loss Account, the Shareholders will see that not only the accounts for the period of 15 months ending 31st December 1921, have been audited by an ----- European Firm of Chartered Accountants, but also the - Company has earned a net profit of Rs.14,074-8-3 during the Period under reference. Out of this amount, ----- Rs.10,537-0-3 has been utilized in writing off the ---- whole of the accumulated losses of the previous years - shown in the Balance Sheet as on 30th September 1920 -- (a printed copy of which is also sent herewith) leaving a surplus profit of Rs.3,537-8-0. Out of this, the - Directors propose to utilize Rs.3,082-3-9 towards writing of Commission and Brokerage, and bring the balance Rs.455-4-3 forward to the next year's account. So, -- the Directors could not declare any dividend for the -- year 1921, but hope to declare a good dividend to the - Shareholders for the year 1922 after wiping off the --- Balance Commission and Brokerage of Rs.15,000 fully".

As the matters stood like this, although the undersigned others were convicted by the Special First Class Magistrate, ore, and the said conviction was up-held by the then Sessions e here, the Hon'ble Chief Court quashed the said conviction the month of November 1922 and declared that the undersigned - and others connected in the case to be quite innocent on the --- ground that the declaration (but not payment) of a dividend in -- anticipation of future profits is not illegal according to the -- principles of Accountancy and Company Law and much less an offence punishable under any Act in the absence of any statute declaring -

declaring the declaration of a dividend in the absence of profit to be an offence. So, the Life Insurance business was commenced practically by the undersigned in the latter part of the year 1922 and the business done during the said year was Rs.2,00,000 and odd while the business done by the Company during the years 1923 and 1924 was Rs.9,00,000 and odd and Rs.13,00,000 and odd respectively.

In this connection, we beg to impress upon your mind that the fresh business done by the Asiatic Company in its second or third years has not been done by any other Life Insurance Company (except Lakshmi Insurance Co.,) in India even in its 15th year.

When the undersigned saw that the Asiatic Company was brought to a perfect working order and could be managed by the other Directors, he resigned his Office of the Managing Director in the Company of his own accord on a life pension of Rs.100/- per mensem (though he was getting an allowance of Rs.250/- per month and he had held an agreement for 10 years more) and wanted to lead a peaceful life as his present turn of mind did not permit him to continue his service in the Asiatic Company on account of the worries he had to undergo over since the inception of the said Company and also his health having been cut down to a good extent owing to the over-work. But, owing to the retirement of the undersigned from the services of the Asiatic Company in the month of May 1925, the business done by the said Company during the said year was only 11 lakhs and odd as against 13 lakhs and odd during the previous year. Even out of this 11 lakhs and odd business, nearly 7 lakhs of rupees business was done during the first half year when the undersigned was in the service o the Company and the remaining 4 lakhs and odd business was done in the second half year. During the whole year 1926, the total amount of business done is only 6 lakhs and odd as against 11 lakhs and 13 lakhs done during the previous years

years 1925 and 1924 respectively. So, no other proof than the abovesaid figures will be necessary for showing the difference - between the progress made by the Company under the management of the undersigned and that made under the management of others.

From the above, you will see that the undersigned has not defrauded anybody in any way at any time while on the other hand he has paid moneys from his pocket to many poor Policyholders who lost their moneys owing/to either the failure of the Amritsar --- Company or their having allowed their policies to lapse in the -- Asiatic Company. In this connection, it may not be out of place to mention here that when the Government wanted to launch out a - prosecution against the undersigned and others on a charge of --- false Balance Sheet, the Inspector General of Police deputed a -- C.I.D. Inspector specially for making further investigation and - detecting frauds if the undersigned had committed any. This C.I.D. Inspector travelled throughout the Mysore State for about 3 or 4 months and there was not a shareholder or a policyholder of the Asiatic ---- Company whom he did not visit in order to know whether any policy-holder or shareholder had been defrauded in any way by the under-signed. The only grievance the shareholders or the Policyholders of either the Asiatic Company or the Amritsar Company could express against the undersigned was that they lost their moneys owing to - either the failure of the Amritsar Company or their having allowed their policies to lapse in the Asiatic Company.

As above stated the undersigned was only a commission --- Agent of the Amritsar Company and he had not been legally bound to make good the loss sustained by the Policyholders of that Company in the Mysore Province. But, he knew that he was morally bound - to safeguard their interests as all of them took up policies in -- the Amritsar Company through him. It is this sentiment that, ---- Prompted the undersigned to start the Asiatic Company and give an opportunity to all the Policyholders of the Amritsar Company in the Mysore Province to have their policies transferred to the Asiatic - Company for their loss being made good. It is needless to say that

that those who got their policies transferred to the Asiatic Company and did not allow their policies to lapse in the same, got bonus amounts which were more than the amounts that had been actually paid by them. Those policyholders of the Amritsar Company who either did not get their policies transferred to the Asiatic Company though an opportunity was given or allowed their policies to lapse in the Asiatic Company after the transfer was made, could not but lose their amounts as the rules would not permit the refund of the paid-up amounts to the lapsed Policyholders.

Apart from the complaints of such agrieved Policyholders the C.I.D. Inspector could not come across anything else throughout his long tour. In support of this the said C.I.D. Inspector Mr. Sundararaja Iyengar who must be now the Superintendent of Police may be kindly referred to in the matter. Even now, the undersigned will be very glad if the Government get a notification published in all the leading Newspapers asking the public to intimate to the Government if they are in any way defrauded by the undersigned apart from their having lost their moneys by becoming Policyholders in the Amritsar Company or their having allowed their policies to lapse in the Asiatic Company. In case anybody either in the Mysore State or elsewhere can show that the undersigned has defrauded any one even to the extent of a single pie, the undersigned agrees hereby to undergo any punishment the Government may accord. If on the other hand, the Government suspect or imagine dishonesty or fraud in any undertaking of the undersigned without facts and figures before them but depending upon hearsays and thereby maintain silence without complying with our requests, not only it would be uncharitable on their part but also it would be ~~hurting~~ wounding our feelings more particularly when there is not even the shadow of dishonesty or fraud in our present undertaking and we are on the other hand endeavouring to see that there should not be even scope for dishonesty or fraud even if the worst persons take our place in future. Anyhow, we

we trust that the Government will be graciously pleased to --- consider all the abovesaid facts fully and comply with all our requests at their earliest convenience.

Begging to be kindly excused for the trouble and thanking you in anticipation,

We have the honour to be,

Sir,

Your most obedient servants,

For The All-India Mutual Aid & Poor Houses Association Ltd.

M. L. Nagannah

*Chief Organizer.*

From

The Chief Organizer,
All-India Mutual Aid & Poor
Houses Association Ltd.,
M Y S O R E.

To

The Chief Secretary to the
Government of His Highness
the Maharaja of Mysore,
BANGALORE.

No. 2169

Dated. 11th March 1927.

III Reminder.

---

Dear Sir,

In inviting your kind attention to this Office No.2074 dated --- 19th February 1927 and also two subsequent reminders dated 26th February and 5th March 1927, requesting the - Government not only to issue orders - to the Registrar of Joint Stock Companies in Mysore, Bangalore, for the immediate issue of the Business ---- Commencement Certificate unnecessarily and unusually with-held without -- rhyme or reason, but also to accept - our funds perpetually as permanent -- deposit at the highest rate of interest just as they accept Charitable -- Endowments or to appoint an Official Trustee for holding the Government -- Securities in which the funds of the Association will be invested just as the Government of Bombay have done in case of the Oriental Government Security Life Assurance Co., Ltd., we regret

regret to bring to your kind notice that we have not yet been - favoured with any reply in response to our prayer and so request you to kindly see that early and favourable orders are passed by the Government in kind and generous consideration of the fact -- that the Association is a Charitable one and the privileges ---- prayed for are for the safety of the constituents of the Association and the perpetual running of the Charitable Institutions - to be started by the same.

From the adverse Press Communique issued by the Govern-- ment and the silence maintained by both the Government and the - Registrar, we cannot but presume that the issue of the Business-Commencement Certificate must have been with-held and the Press Communique published as they (the Govt.) do not like the undersigned to do - any business of whatever nature it may be owing to the prejudice they may have on account of the misrepresentations of his adversaries. This presumption is further confirmed by the fact that when the undersigned had applied to the Government for permission a few months ago to start a Kannada weekly Newspaper by name ---- "Veerashiva" for the moral, spiritual and educational uplift of - the Veerashiva community people in particular and those of the -- other communities in general and wanted thereby to give to the -- public at large the benefit of his deep study on Philosophy for - the last 15 years ~~but~~, the Government refused to grant permission without assigning any reasons therefor though they were pleased - to grant the said permission to another person who put in an ---- application subsequently and wanted to start a paper by name ---- "Panchacharya Prabha" with the same object. So, we beg leave to say something about the past history and the business experience of the undersigned so that the prejudice if any has been enter--- tained by the Government may be removed and the question as ----- regards the issue of the Business Commencement Certificate and -- the grant of the prayed for special privileges may be decided on merits alone.

The undersigned entered into the business field for - the first time in the year 1910 when he took up the Chief Agency of the Amritsar National Insurance and Banking Company Ltd., for the Mysore Province and Coorg. As the Amritsar Company had --- Life Insurance and Provident Marriage Departments, the undersigned could secure for the said Company nearly 3,000 Life Insurance and Marriage Policyholders in course of 3 years and consequently, he was awarded the prize of a golden watch and a golden medal for having stood first among all the Chief Agents of that Company --- throughout India in doing Life Insurance business. Subsequently as the undersigned came to know that the Amritsar Company was --- going to fail owing to the unsoundness of its Provident Marriage scheme (which he did not know at the time when he took up the --- Chief Agency being a lay-man) and the mismanagement of its - - - affairs, he had to resign his Chief Agency of the said Company in the early part of the year 1913 and started at Mysore the Asiatic Government Security Life Assurance Co., Ltd., (which was formerly called the Mysore Government Security Life and Marriage Assurance Co., Ltd.,) the Head Office of which is now at Bangalore, with -- improved schemes principally to safeguard the interests of the -- Policyholders of the Amritsar Company in the Mysore Province, --- though he lost an income of Rs.500/- which he was getting from -- that Company every month in form of commission and Office allow-- ance.

After the Asiatic Company was started in Mysore, the -- undersigned issued notices to all the Policyholders of the Amritsar Company in the Mysore Province to have their policies trans-- ferred to the Asiatic Company and as many of them got their ----- policies transferred, the undersigned gave credit to their accounts in the Asiatic Company the amounts they had paid to the Amritsar - Company (though the Amritsar Company did not transfer any amount - to the Asiatic Company) as authorized by the Memorandum of Associ- ation of the Asiatic Company with an object of wiping off the loss

loss (amounting to more than Rs.10,000) undertaken by the ---- Asiatic Company like this to start with out of the profits the Asiatic Company might make later on. As the undersigned had - resigned the Chief Agency of the Amritsar Company against the - wishes of its Chief Manager and the Asiatic Company was started here detrimental to the interest of that Company, the Amritsar Company with an object of harming the reputation of the under-- signed and nipping the indigenous concern in its bud being actuated by feeling of jealousy filed a criminal complaint against the - undersigned on a false charge of temporary misappropriation of Rs.75/- in the City Magistrate's Court, Mysore, soon after the Asiatic Company was started but he was honorably discharged by the Magistrate on the ground that the abovesaid Rs.75/- ----- (alleged to have been temporarily misappropriated by the under- signed) represented deposit amounts paid by a few Insurance --- proposers to the undersigned and the said amount having been -- kept in deposit with the undersigned till the proposals were -- accepted by the Amritsar Company and the proposers paid the --- balance amounts to make up the first premia as per practice in vogue could not amount to any misappropriation. The following remarks passed by the Magistrate in the concluding portion of - his order will speak for themselves.

> "The Amritsar Company did little or no business in Mysore and Coorg at the time the accused took up the --- Agency but he secured such a flourishing business for -- the Company, that the Company recognized his good ser--- vices by awarding him a gold medal and a gold watch of - Rs.100/-.
>
> From the correspondence between the accused and the Head Office, it is clear that the Company felt that their work would go down in Mysore as the accused set up a rival local Company of his own on the very lines of -- their Company and they discovered that the accused was a capable man and would catch all the business for his own Company. They coaxed him to give up his Company and to continue as their Agent as before and when their attempts in this direction failed, they were actuated by feelings of jealousy and wanted to harm the reputation of the --- accused and injure the cause of his new Company by this frivolous and vexatious case. When they found the com- plaint a trained Accountant ready to help them, they made use of his services for the purpose.
>
> If the complaintant had less enthusiasm and more - patience to evade through a mass of accounts with a view

view to find out the truth, then his Company would not have been pricipitated into such hasty and --- noisy acts of jealousy and would have been spared the present humiliation and heavy expenditure.

The accused is therefore discharged under -- Section of the Criminal Procedure Code".

As the Amritsar Company failed to achieve its object in this direction, it wanted to realize from the undersigned - - - Rs.4,750/- being the inpaid amount of calls on the shares taken up by him in that Company and Rs.3,000 and odd being the medical expenses incurred on account of the proposers (who had been canvassed by the undersigned just before he resigned his Chief ---- Agency and who did not care to take up policies by paying first premiums) amounting to more than Rs.8,000, and thereby harass the under--- signed. But, as the proverb says "Evil to him who evil thinks" the Amritsar Company itself was wound up in the year 1915 and the undersigned could settle everything with the liquidators in the - year 1916. Owing to the harassment of the Amritsar Company to - the undersigned both civilly and criminally and its subsequent -- failure made the public loose confidence in the undersigned and - his new (Asiatic) Company and consequently, not only there was no fresh business worth the name forthcoming but also many of the -- old policyholders allowed their policies to lapse. On the other hand, in the years 1914 and 1915 many of the remaining policies - matured and the Asiatic Company had to pay bonuses more than ---- Rs.10,000. Anyhow, the undersigned could manage to pay the said bonus amounts during the said years alone in spite of the above-- said adverse circumstances and also run on the Company till the - end of the year 1920 when the undersigned closed the old business once for all and wanted to commence Life Insurance business. So, he devised a new scheme for the immediate sale of shares and --- commencement of the Life Insurance business and launched out the same in the beginning of the year 1921.

In the meanwhile, the Government of Mysore owing to -- the complaints received against the undersigned by the policy--- holders who had lost their moneys on account of either the fail-

failure of the Amritsar Company or their policies having been - allowed to lapse in the Asiatic Company, had to appoint an ---- Inspector at their cost to investigate the affairs of the Asiatic Company. The said Inspector after thoroughly scrutinizing the accounts of the Asiatic Company since the very beginning -- upto the end of the year 1919 made a report to the Government. The Government seeing that the Inspector in his report had ---- found fault with the Company for having declared a dividend at 9% for the year 1918 amounting to Rs.333-1-8 in the absence of - sufficient profit and shown the same in the Balance Sheet as on 31st December 1918, mistook the declaration of dividend for ---- false Balance Sheet and ordered for the prosecution of the under signed along with the then other Directors and the Auditor. --- Consequently, the Police filed a complaint against the undersign ed and others in the Special First Class Magistrate's Court, --- Mysore, in the beginning of the year 1921.

As the prosecution of the undersigned progressed, the -- Asiatic Company also became prosperus more and more and by the time the trial was terminated and the undersigned was convicted in the month of May 1922, he could sell five lakhs of rupees of shares of the Asiatic Company owing to the attractiveness of the scheme, he could deposit one lakh of rupees Government Securi--- ties with the Government of India as per Life Insurance Act and he could purchase a building for the Company at Mysore for - - - Rs.42,500/- in spite of the adverse interpellations continuously put in the Legislative Council by Mr. Hosakoppa Krishna Rao at -- the instance of Mr. Sanjeeva Rao the Press Correspondent and the series of Articles given by the latter published in all the leading Newspapers throughout India regarding the Government prosecution and the abovesaid interpellations. During the year 1921 -- alone, the Company made a profit of Rs.14,000 and odd and could, out of this profit, wipe off the loss of Rs.10,000 that had been undertaken in the beginning itself. In support of the above, - please vide para 4 of the Directors' report for the said year --

year 1921 which runs as follows.

"AUDIT AND PROFITS.- This Company was founded by the present Managing Director in the year 1913, principally to safeguard the interests of the Provident - Life and Marriage Policyholders who had lost their -- moneys in the National Insurance & Banking Co., Ltd., Amritsar, for which he (the Managing Director of the Company) had been the Chief Agent for the Mysore ---- Province, and consequently it had to start with a --- loss of more than Rs.10,000, being the amount not received but credited to the account of the said Policyholders (as authorized by the Memorandum 3 (d) of the Association of the Company) with the object of getting the said loss written off out of the profits that ---- might be earned by the Company later on. But the --- progress of the Company was checked by the efforts of the adversaries as well as for want of co-operation, - and as such not only the loss that had been undertaken in the beginning could not be made good as expected, - but also the old business of the Company in all its -- Departments had to be entirely closed on the 30th ---- September 1920 and almost a new life started from 1st: October 1920, with the introduction of the present --- Three-in-one (Share Policy Investment) scheme.

From perusing the annexed Balance Sheet and --- Profit & Loss Account, the Shareholders will see that not only the accounts for the period of 15 months ending 31st December 1921, have been audited by an ----- European Firm of Chartered Accountants, but also the - Company has earned a net profit of Rs.14,074-8-2 during the Period under reference. Out of this amount, ----- Rs.10,537-0-2 has been utilized in writing off the ---- whole of the accumulated losses of the previous years - shown in the Balance Sheet as on 30th September 1920 -- (a printed copy of which is also sent herewith) leaving a surplus profit of Rs.3,537-8-0. Out of this, the - Directors propose to utilize Rs.3,082-3-9 towards writing of Commission and Brokerage, and bring the balance Rs.455-4-3 forward to the next year's account. So, -- the Directors could not declare any dividend for the -- year 1921, but hope to declare a good dividend to the - Shareholders for the year 1922 after wiping off the --- Balance Commission and Brokerage of Rs.15,000 fully".

As the matters stood like this, although the undersigned nd others were convicted by the Special First Class Magistrate, Mysore, and the said conviction was up-held by the then Sessions Judge here, the Hon'ble Chief Court quashed the said conviction in the month of November 1922 and declared that the undersigned - and others connected in the case to be quite innocent on the ---- ground that the declaration (but not payment) of a dividend in -- anticipation of future profits is not illegal according to the -- principles of Accountancy and Company Law and much less an offence punishable under any Act in the absence of any statute declaring -

declaring the declaration of a dividend in the absence of --- profit ~~is~~ to be an offence. So, the Life Insurance business was - commenced practically by the undersigned in the latter part of the year 1922 and the business done during the said year was Rs.2,00,000 and odd while the business done by the Company --- during the years 1923 and 1924 was Rs.9,00,000 and odd and --- Rs.13,00,000 and odd respectively.

In this connection, we beg to impress upon your mind - that the fresh business done by the Asiatic Company in its --- second ~~and~~ on third years has not been done by any other Life --- Insurance Company (except Lakshmi Insurance Co.,) in India, even in its 15th year.

When the undersigned saw that the Asiatic Company was brought to a perfect working order and could be managed by the other Directors, he resigned his Office of the Managing Director in the Company of his own accord on a life pension of ---- Rs.100/- per mensem (though he was getting an allowance of -- Rs.250/- per month and he had held an agreement for 10 years - more) and wanted to lead a peaceful life as his present turn - of mind did not permit him to continue his service in the ---- Asiatic Company on account of the worries he had to undergo -- ever since the inception of the said Company and also his ---- health having been cut down to a good extent owing to the ---- over-work. But, owing to the retirement of the undersigned - from the services of the Asiatic Company in the month of May - 1925, the business done by the said Company during the said -- year was only 11 lakhs and odd as against 13 lakhs and odd --- during the previous year. Even out of this 11 lakhs and odd business, nearly 7 lakhs of rupees business was done during -- the first half year when the undersigned was in the service of the Company and the remaining 4 lakhs and odd business was -- done in the second half year. During the whole year 1926, -- the total amount of business done is only 6 lakhs and odd as - against 11 lakhs and 13 lakhs done during the previous years -

years 1925 and 1924 respectively. So, no other proof than the abovesaid figures will be necessary for showing the difference - between the progress made by the Company under the management of the undersigned and that made under the management of others

From the above, you will see that the undersigned has not defrauded anybody in any way at any time while on the other hand he has paid moneys from his pocket to many poor Policyholders who lost their moneys owing to either the failure of the Amritsar --- Company or their having allowed their policies to lapse in the -- Asiatic Company. In this connection, it may not be out of place to mention here that when the Government wanted to launch out a - prosecution against the undersigned and others on a charge of --- false Balance Sheet, the Inspector General of Police deputed a -- C.I.D. Inspector specially for making further investigation and - detecting frauds if the undersigned had committed any. This C.I.D. Inspector travelled throughout the Mysore State for about 3 or 4 months and there was not a shareholder or a policyholder of the Asiatic ---- Company whom he did not visit in order to know whether any policy-holder or shareholder had been defrauded in any way by the under-signed. The only grievance the shareholders or the Policyholders of either the Asiatic Company or the Amritsar Company could express against the undersigned was that they lost their moneys owing to - either the failure of the Amritsar Company or their having allowed their policies to lapse in the Asiatic Company.

As above stated the undersigned was only a commission --- Agent of the Amritsar Company and he had not been legally bound to make good the loss sustained by the Policyholders of that Company in the Mysore Province. But, he knew that he was morally bound - to safeguard their interests as all of them took up policies in -- the Amritsar Company through him. It is this sentiment that ---- prompted the undersigned to start the Asiatic Company and give an opportunity to all the Policyholders of the Amritsar Company in the Mysore Province to have their policies transferred to the Asiatic - Company for their loss being made good. It is needless to say that

that those who got their policies transferred to the Asiatic Company and did not allow their policies to lapse in the same, got bonus amounts which were more than the amounts that had been actually paid by them. Those policyholders of the Amritsar Company who either did not get their policies transferred to the Asiatic Company though an opportunity was given or allowed their policies to lapse in the Asiatic Company after the transfer was made, could not but lose their amounts as the rules would not permit the refund of the paid-up amounts to the lapsed Policyholders.

Apart from the complaints of such agrieved Policyholders, the C.I.D. Inspector could not come across anything else throughout his long tour. In support of this the said C.I.D. Inspector Mr. Sundararaja Iyengar who must be now the Superintendent of Police may be kindly referred to in the matter. Even now, the undersigned will be very glad if the Government get a notification published in all the leading Newspapers asking the public to intimate to the Government if they are in any way defrauded by the undersigned apart from their having lost their moneys by becoming Policyholders in the Amritsar Company or their having allowed their policies to lapse in the Asiatic Company. In case anybody either in the Mysore State or elsewhere can show that the undersigned has defrauded any one even to the extent of a single pie, the undersigned agrees hereby to undergo any punishment the Government may accord. If on the other hand, the Government suspect or imagine dishonesty or fraud in any undertaking of the undersigned without facts and figures before them but depending upon hearsays and thereby maintain silence without complying with our requests, not only it would be uncharitable on their part but also it would be ~~freking~~ wounding our feelings more particularly when there is not even the shadow of dishonesty or fraud in our present undertaking and we are on the other hand endeavouring to see that there should not be even scope for dishonesty or fraud even if the worst persons take our place in future. Anyhow, we

we trust that the Government will be graciously pleased to --- consider all the abovesaid facts fully and comply with all our requests at their earliest convenience.

Begging to be kindly excused for the trouble and thanking you in anticipation,

We have the honour to be,

Sir,

Your most obedient servants,

For The All-India Untual Aid & Poor Houses Association Ltd.

M. K. Appannah

Chief Organizer.

Immediate + confidential

GOVERNMENT OF MYSORE.

J. S. 16-26-16.

IN REPLY PLEASE REFER TO NO. 1106 ENCL.

Office of the Registrar of Joint Stock Companies in Mysore.

Dated, Bangalore 25/2/1927.

FROM

B. Ramaswamaiya, Esq., B.A., B.L.,
~~XxxRxCHIYAGARAJAxIYERxEsqxxxx~~,
*Registrar of Joint Stock Companies in Mysore.*

5866
GEN. & REV. SECTN.
28 FEB. 1927
DEVELOPMENT BRANCH

To

N. Rama Rao, Esq., B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore, Development
Departments, Bangalore.

S i r ,

D. 5135-
26-
1626-27

I have the honour to invite your kind reference to the correspondence ending with this office letter No.1091 dated 16th February 1927 regarding the All-India Mutual Aid and Poor Houses Association, Limited.

(2) I find from the newspapers that a comminuque has been issued by Government referring to the Memorandum and Articles of Association and the Prospectus of the company and declaring that they have no intention whatever of appointing a Trustee etc.,.

(3) The copy of the Prospectus dated 1st November 1926 submitted to Government with my D. O. No.867 dated 8th November 1926 has not yet been filed by me. From the correspondence referred to above it will be seen that it had been returned several times to the company and that the Chief organizer had been informed that the Prospectus should be issued only after receiving the intimation of the copy thereof having been filed in this office. He has however, taken upon himself the responsibility of issuing the Prospectus without waiting for the orders of this office.

(4) Section 92 (2) of the Mysore Companies Regulation says that a copy of every Prospectus should be filed for registration with the Registrar on or before the date of its publication. This may be and is by some authorities, taken to mean that a -- Prospectus may be published as soon as a copy thereof is filed -- with the Registrar. The scope of Section 80 of the English Act

which corresponds to Section 92 of our Regulation is explained by Sir Francis Beaufort Palmer in his company Precedents as follows:

The object generally of this Section is twofold:

(1) To preserve an authentic record of the terms on which the public have been invited to subscribe for shares, debentures, or debenture stock; and

(2) to secure that the directors of the company accept responsibility for the statements in the Prospectus.

But Rule 11 of the Rules published by Government under Notification No.11002/I&C.6-18-21 dated 12th May 1919, requires that the Registrar should scrutinize all the documents submitted to him and that he should satisfy himself that they are in conformity with the provisions of th law (i.e., companies Regulation). Rule 15 of the Rules referred to above requires that when a document is registered, recorded or filed the Registrar shall give intimati of the same to the Company. These Rules have the same effect as per Section 151 (5) as if they had been enacted in the Regulation. Hence Section 92 of the Regulation and the Rules referred to above are read together it seems to me that the receipt of intimation of the copy of the Prospectus having been filed by me should have been awaited by the Company for the issue of the Prospectus. As this has not been observed by the company it appears that the Company and its officers have made themselves liable to proceedings being taken under Section 92 (5) of the Regulation. It has to be observed, however, that there has already been a delay of nearly 4 months in disposing of the copy of the Prospectus from the date of its receipt, though this could not be helped under the special circumstances of the company and Rule 11 referred to above does not prescribe any particular time within which the document

should be examined.

(5) In your letter No.D.6295/J.S.16-26-8 dated 5th February 1927, it has been stated that the certificate of Commencement of business may be granted, [an act which has to follow the filing the copy of the prospectus]. I presume therefore that the copy of the prospectus may be filed and the certificate of commencement of business granted in view of the Press Communique issued by Government which has presumably been issued on account of the prospectus having already been published by the company. I request that the instructions of -- Government may be kindly communicated to me as early as possible, if necessary after taking the opinion of the Law Officers of Government as to whether any legal proceedings may or may not be taken under the Companies -- Regulation for the company publishing the Prospectus prior to the receipt of intimation of the order of this office in that behalf.

I have the honour to be,

S i r ,

Your most obedient servant,

Ramaswami

R E G I S T R A R .

HR

IN YOUR COMMUNICATION, PLEASE QUOTE THE NO. OF THIS LETTER

॥ ॐ ॥

*Tel. Address :* "ASSOCIATION," Mysore

# All-India Mutual Aid & Poor Houses Association, Ltd.

(INCORPORATED IN INDIA)

REGISTERED OFFICE : MYSORE (S. INDIA)

*No.* 2103. *Dated* 26 FEB 1927 *192*

To

The Chief Secretary to the
Government of His Highness the
Maharaja of Mysore, BANGALORE.

Dear Sir,

FIRST REMINDER.

We beg to invite your kind attention to this Office No.2074 dated 19th instant and request the favour of an early compliance therewith.

Thanking you in anticipation,

We have the honour to be,
Sir,
Your most obedient servants,
For The All-India Mutual Aid & Poor Houses Association Ltd.

M. K. Nyanmuk

*Chief Organizer.*

## Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent rec

Mr Nalgamma's letter dated 19th February has been referred to L. & Secy. for opinion along with the Legal Communication on the subject.

Mr II Mandlik has indicated his views on which a reply may be sent to Mr. Nalgamma.

As agreed, the file will be put up on receipt of the legal opinion from the L. & Secy.

19.2.53

I learn that file will be returned from the Law Sect.

IN YOUR COMMUNICATION, PLEASE QUOTE THE NO. OF THIS LETTER

॥ ॐ ॥

# ALL-INDIA MUTUAL AID & POOR HOUSES ASSOCIATION, LTD.

(INCORPORATED IN INDIA)

REGISTERED OFFICE: MYSORE (S. INDIA)

No. 2149-52 Dated 5 MAR 1927 192

To

F. Chandy, Esq., B.A.,
First Member of Council to the
Government of His Highness the Maharaja
of Mysore, BANGALORE.

GEN. DEPARTMENT BRANCH

Dear Sir,

In inviting your kind attention to this office No.2098-2101 date 25th February 1927, we regret to bring to your kind notice that we have no yet been favoured with any reply in response to our humble prayer and so request you to kindly see that favourable orders are passed by the Govern ment at their earliest convenience. In this connection, we think that al our grievances have been clearly represented in our abovesaid letter but i case you require any further explanation or information, we shall be very happy to furnish the same to your entire satisfaction either in writing o in person as you think best. Anyhow, we trust that the Government will take the sympathetic view of the whole matter and render every possible help to the Association.

In the meanwhile, we cannot but feel that it has been th irony of fate that our Government has been pleased to allow the hard-earn money of the people in Mysore State to be filled into the coffers of a gr number of Joint Stock Companies started outside the Mysore State whatever ir objects and however unsound and speculative their businesses may be and also in whatsoever manner their funds may be utilized or invested accordi to the whims and fancies of their Directors. But, although our Associ on i started in the Mysore State itself with an object of relieving the distres of the suffering humanity and the scheme devised for fulfilling th id object is based on the soundest possible principles without there --- absolutely no risk or speculation whatsoever, our Government are not ious enough to allow the same progress simply because we want the funds business of our Associ on to be under the direct control and super n of the Government respectively for the safety of our constituents the perpetual running of the Charitable Institutions to be started by Association.

Begging to be kindly excused for the trouble and thankin in anticipation,

We have the honour
Sir,
Your most obedient se

For The All-India Mutual Aid & Poor House

M. K. Nayan

Chief

IN YOUR COMMUNICATION, PLEASE QUOTE THE NO. OF THIS LETTER

# ALL-INDIA MUTUAL AID & POOR HOUSES ASSOCIATION, LTD.

(INCORPORATED IN INDIA)

REGISTERED OFFICE: MYSORE (S. INDIA)

No. 2109-52 Dated 7 MAR 1927 192 .

OFFICE OF THE THIRD MEMBER OF COUNCIL 7 MAR 1927 No. 1031

5749

GEN. & REV. SECRETARIAT

To

C.S. Balasundaram Iyer, Esq., B.A.,
Third Member of Council to the
Government of His Highness the Maharaja
of Mysore, BANGALORE.

DEVELOPMENT BRANCH

J. S. 16-26

Dear Sir,

5366 In inviting your kind attention to this office No.2098-2101 dated 25th February 1927, we regret to bring to your kind notice that we have not yet been favoured with any reply in response to our humble prayer and so - request you to kindly see that favourable orders are passed by the Govern- ment at their earliest convenience. In this connection, we think that all our grievances have been clearly represented in our abovesaid letter but in case you require any further explanation or information, we shall be very - happy to furnish the same to your entire satisfaction either in writing or in person as you think best. Anyhow, we trust that the Government will - take the sympathetic view of the whole matter and render every possible - help to the Association.

In the meanwhile, we cannot but feel that it has been [illegible] - of fate that our Government has been pleased to allow the hard-earned moneys of the people in Mysore State to be filled into the coffers of a good number of Joint Stock Companies started outside the Mysore State whatever their objects and however unsound and speculative their businesses may be and also in whatsoever mannor their funds may be utilized or invested according to the whims and fancies of their Directors. But, although our Association is started in the Mysore State itself with an object of relieving the distress of the suffering humanity and the scheme devised for fulfilling the said object is based on the soundest possible principles without there being absolutely no risk or speculation whatsoever, our Government are not gracious enough to allow the same progress simply because we want the funds and business of our Association to be under the direct control and supervision of the Government respectively for the safety of our constituents and the perpetual running of the Charitable Institutions to be started by the Association.

Begging to be kindly excused for the trouble and thanking you -

We have the honour to be,
Sir,
Your most obedient servants,
For The All-India Mutual Aid & Poor Houses Assn. Ltd
M. K. Nagappa
Chief Organiser

IN YOUR COMMUNICATION, PLEASE QUOTE THE NO. OF THIS LETTER

॥ ॐ ॥

Tel Adress : "ASSOCIATION" Mysore

# ALL-INDIA MUTUAL AID & POOR HOUSES ASSOCIATION, LTD.

(INCORPORATED IN INDIA)

REGISTERED OFFICE : MYSORE (S. INDIA)

OFFICE OF THE SECOND MEMBER OF COUNCIL
8 MAR 1927
No. 11349.

No. 2149-52 Dated 5 MAR 192

To

Rajakaryaprasakta Diwan Bahadur
M.N. Krishna Rao, Esq., B.A.,
Second Member of Council to the
Government of His Highness the Maharaja
of Mysore, BANGALORE.

CENL. R. & Y. SECTION 5778 1927 DEVELOPMENT BRANCH

Dear Sir,

In inviting your kind attention to this Office No.2098-2[illegible] dated 25th February 1927, we regret to bring to your kind notice that we have not yet been favoured with any reply in response to our humble prayer and so -- request you to kindly see that favourable orders are passed by the Govern-- ment at their earliest convenience. In this connection, we think that all our grievances have been clearly represented in our abovesaid letter but in case you require any further explanation or information, we shall be very - happy to furnish the same to your entire satisfaction either in writing or in person as you think best. Anyhow, we trust that the Government will -- take the sympathetic view of the whole matter and render every possible - help to the Association.

In the meanwhile, we cannot but feel that it has been the irony of fate that our Government has been pleased to allow the hard-earned moneys of the people in Mysore State to be filled into the coffers of a good number of Joint Stock Companies started outside the Mysore State whatever their --- objects and however unsound and speculative their businesses may be and also in whatsoever manner their funds may be utilized or invested according to -- the whims and fancies of their Directors. But, although our Association is started in the Mysore State itself with an object of relieving the distress of the suffering humanity and the scheme devised for fulfilling the said --- object is based on the soundest possible principles without there being ---- absolutely no risk or speculation whatsoever, our Government are not gracious enough to allow the same progress simply because we want the funds and busi- ness of our Association to be under the direct control and supervision of -- the Government respectively for the safety of our constituents and the per - petual running of the Charitable Institutions to be started by the Associa- tion.

Begging to be kindly excused for the trouble and thanking you in anticipation,

We have the honour to be,
Sir,
Your most obedient servants,

For The All-India Mutual Aid & Poor Houses Association Ltd.

M. K. Nagannah

Chief Organizer.

IN YOUR COMMUNICATION, PLEASE QUOTE THE NO. OF THIS LETTER

॥ ॐ ॥

Tel. Address : "ASSOCIATION," Mysore

# ALL-INDIA MUTUAL AID & POOR HOUSES ASSOCIATION, LTD.

(INCORPORATED IN INDIA)

REGISTERED OFFICE : MYSORE (S. INDIA)

No. 2145 Dated 5 MAR 1927 19

To

The Chief Secretary to the
Government of His Highness
the Maharaja of Mysore, BANGALORE.

GEN. & REVENUE SECRETARIAT
DEVELOPMENT BRANCH.

Dear Sir,

SECOND REMINDER.

In inviting your kind attention to this Office No.2074 dated 19th February 1927 and also the subsequent reminder No.2103 dated 26th ultimo, we regret to bring to your kind notice that we have not yet been favoured with any reply in response to our humble prayer and so request you to kindly see that favourable orders are passed by the Government at their earliest convenience. In this connection, we think that all our grievances have been clearly represented in our abovesaid letter but in case you require any further explanation or information, we shall be very happy to furnish the same to your entire satisfaction either in writing or in person as you think best. Anyhow, we trust that the Government will take the sympathetic view of the whole matter and render every possible help to the Association.

In the meanwhile, we cannot but feel that it has been the irony of fate that our Government has been pleased to allow the hard-earned money of the people in Mysore State to be filled into the coffers of a good number of Joint Stock Companies started outside the Mysore State whatever their objects and however unsound and speculative their businesses may be and also in whatsoever manner their funds may be utilized or invested according to the whims and fancies of their Directors. But, although our Association is started in the Mysore State itself with an object of relieving the distress of the suffering humanity and the scheme devised for fulfilling the said object is based on the soundest possible principles without there being absolutely no risk or speculation whatsoever, our Government are not gracious enough to allow the same progress simply because we want the funds and business of our Association to be under the direct control and supervision of the Government respectively for the safety of our constituents and the perpetual running of the Charitable Institutions to be started by the Association.

Begging to be kindly excused for the trouble and thanking you in anticipation,

We have the honour to be,
Sir,
Your most obedient servants,

For The All-India Mutual Aid & Poor Houses Association Ltd.

M. L. Nagannah

Chief Organizer.

IN YOUR COMMUNICATION, PLEASE QUOTE THE NO. OF THIS LETTER

॥ श्री ॥

# ALL-INDIA MUTUAL AID & POOR HOUSES ASSOCIATION, LTD.

(INCORPORATED IN INDIA)

REGISTERED OFFICE: MYSORE (S. INDIA)

No. 2149-52 SEC. 5837 Dated 5 MAR

To

Amin-ul-Mulk Mirza Muhammad Ismail, Esq., B.A.,
C.I.E., B.B.E.,
Dewan of Mysore, BANGALORE.

Dear Sir,

In inviting your kind attention to this office No.2098-ed 25th February 1927, we regret to bring to your kind notice that w ot yet been favoured with any reply in response to our humble prayer-- request you to kindly see that favourable orders are passed by th-- ment at their esrliest convenience. In this connection, we thin ll our grievances have been clearly represented in our abovesaid let in case you require any further explanation or information, we shall - happy to furnish the same to your entire satisfaction either in w r in person as you think best. Anyhow, we trust that the Governme-- take the sympathetic view of the whole matter and render every po-- help to the Association.

In the meanwhile, we cannot but feel that it has been the m on of fate that our Government has been pleased to allow the hard-earned mo of the people in Mysore State to be filled into the coffers of a good nu of Joint Stock Companies started outside the Mysore State whatever their objects and however unsound and speculative their businesses may be and in whatsoever manner their funds may be utilized or invested according t the whims and fancies of their Directors. But, although our Associatio started in the Mysore State itself with an object of relieving the distr of the suffering humanity and the scheme devised for fulfilling the said object is based on the soundest possible principles without there being absolutely no risk or speculation whatsoever, our Government are not gra enough to allow the same progress simply because we want the funds and b ness of our Association to be under the direct control and supervision of the Government respectively for the safety of our constituents and the per petual running of the Charitable Institutions to be started by the Associa tion.

Begging to be kindly excused for the trouble and thanking you n anticipation,

We have the honour to be,
Sir,
Your most obedient servants,
For The All-India Mutual Aid & Poor Houses Association Ltd.

M. K. Nagamma
Chief Organizer.

Please attend the letter of 25th Feb 27 referred above
8/3/27

Sec's Office
In Compliance
8/3/27

11/3

May be Submitted to the Dewan. Branch
Secretary
8/3/27

APP. F. VI. Gl.]

SUBJECT.....

Diary No. of letter replied to.....

General and Revenue Secretariat
( )
the 192

Date of issue 9-3-27

Signed by N. Ramarao Ss.
(Secretary).

List of enclosures.....

Copied by.....

Examined by.....

Joint Registrar Coops

Section J.S.
File No. 1 b 2
Serial No. 17
No. D 7595

To

The Registrar
Joint Stock

Sir,

With reference (
respondence ending with
letter no. 11 ob 8 25th Febr
requesting to be infor
legal proceedings may
taken under the Compa
against the Directors of
Mutual Aid and Poor Ho
Ltd, for publishing the
prior to its registration
are directed to state that
cannot be considered to
~~have not~~ rendered himself
to be proceeded against for
the prospectus. The cost of

over

business Commencement - may Therefore
be issued immediately ~~instantly~~ Sir

Yours &c

W.P.
9/3

D. Secy.

To

Mr. M. L. Naganna,
Chief Organiser, All India
Mutual Aid & Poor Houses
Association, Ltd.,
Mysore.

No D 7773
G. S. 16-26-18
of 12.3.27

Endorsement.

With reference to his letters dated [illegible] and 25th February 1927 addressed to the Members of Council and the Chief Secretary to Govt. complaining of delay on the part of the Registrar of Joint Stock Companies in issuing the certificate of commencement of business, etc., Mr. Naganna is informed as follows:

1. The Registrar has since been requested to issue the certificate of commencement of business ~~without delay~~.

2. ~~As regards the non-return by the Registrar of~~ For the return of the Memorandum and Articles of Association, duly certified, the petitioner may apply to the Registrar ~~again~~ again.

3. With regard to his prayer that Govt. should accept the funds of the Association perpetually as permanent deposit ~~and~~ or appoint an official Trustee, Bankers etc Representatives ~~and Auditor~~, Mr. Naganna's attention is invited to the Press Communique dated 5th February 1927 already issued on the subject.

4. Govt. regret that the prayer that the Press Communique issued by the Publicity Officer may be withdrawn and that the rejoinder of the Association to the communique may be published in the Govt.

[illegible] information therein conveyed that they have no intention of receiving deposits, applying trustees or in any way whatever associating themselves with the operations of the Assn

Government Publicity Journal

granted.

By Order,

Development Secy. to Govt.,

Memo No. D. 7774 d/ 12.3.27

Dated, Bangalore, 1927.

Copy to Registrar of Joint Stock

ompanies.

By Order,

Development Secy. to Govt.

ommunications to
Govt. ~~must be~~ should be
addressed to
the Secretaries
to Govt in the
Depts concerned, &
not to members of Govt.

C&S
1073.